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** 12p

the teamworkers Taylor Woodrow

NEWS SUMMARY

GENERAL

Bhutto political crisis deepens

Pakistan's political crisis deepened yesterday after the resignation of a second ambassador in less than 24 hours in protest at Mr. Z. A. Bhutto's Government.

Stage set for Rhodesia talks

As a team of British officials arrived in Salisbury, Rhodesia, to prepare for the Foreign Secretary, Dr. David Owen's week-end talks with Mr. Ian Smith, Prime Minister, it became known that Britain appeared to favour a series of mini-consultations rather than a formal Geneva-type conference in its effort to achieve a constitutional settlement.

Zaire 'shelled' Angolan ship

The Angolan Government, claiming that Zairean shore batteries had shelled an Angolan freighter in its territorial waters, damaging the vessel and injuring seamen, warned that it would not tolerate further provocations.

Madrid warning

The Spanish Army strongly condemned the legalisation of the Communist Party, according to an official Army Ministry statement which was seen in Madrid as a blunt military warning to Sr. Adolfo Suarez, Prime Minister.

Rail dispute

Inter-city rail services to and from King's Cross to-day have been cancelled because of an unofficial one-day strike by 150 guards and shunters.

Rogue tank

A middle-aged couple were seriously injured when a 52-ton Army Chieftain tank, taking part in a gunnery exercise, ran over their parked car near Lutworth, Dorset.

Briefly . . .

Emperor Hirohito of Japan received Mrs. Thatcher who also met Mr. Takeo Fukuda, Prime Minister, in Tokyo. Mr. Yitzhak Rabin is to leave his post as Israeli Prime Minister at the end of next week. Mrs. Rabin charged, Page 6. Six U.S. airmen are to be court-martialed on charges arising from the burning of a K-1-Klux-Klan cross at Lakenheath, Suffolk. Prison officers at some southern England jails may support protest action by Dartmoor colleagues, Page 16. Six workers under the Government's job creation scheme have helped to dig up more than 100 skeletons in a Taunton, Somerset, medieval cemetery. A woman from Saudi Arabia was carrying £7,500 when she was stopped for stealing clothes worth £7.29, a London court was told.

BUSINESS

Equities and gilts firm; £ falls

EQUITIES were firm. The FT 30-share index was up 3.2 to 421.0 for a 20.5 rise in the last four trading days. The All-Share gained 1 per cent to 176.46. GILTS picked up in late trade. Mediums and longs recovered losses ranging to 1/2 white shirts had gains to 1. The Government Securities index was 0.05 higher at 69.23.

STERLING fell 171 points to \$1.7179; its weighted index was unchanged at 61.6. The dollar's weighted depreciation narrowed slightly to 1.27 (1.28) per cent.

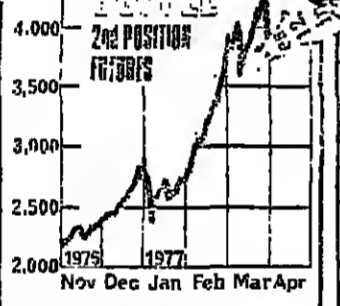
GOLD fell \$1 to \$151.1.

WALL STREET closed 8.82 up at 947.00.

U.S. MONEY supply: 311 \$319.1bn. (\$314.7bn.). M2 \$781.5bn. (\$754.7bn.). Commercial and Industrial loans fell \$227m. (\$195m. rise); Fed funds averaged 4.65 (4.69) per cent.; 90 to 119-day dealer paper unchanged at 4.74 per cent.

MINIMUM Lending Rate may fall a further 1/2 point to 9 per cent. to-day; any move is unlikely to be restricted by the Bank of England. Treasury bill rates were slightly above the necessary trigger point yesterday.

COFFEE prices rose on the London terminal market yesterday.



day on news that Colombia had again raised its coffee export deposit rate. The July position gained 58 to \$4,126.5 a tonne, Page 39.

Stock Exchange new curbs

NEW MEASURES to curb leaks of company information and to avoid the risk of a false shares market on the Stock Exchange were announced. Back Page.

BRITISH AIRWAYS unions were meeting last night to thrash out new peace proposals after engineers rejected the AEUW's instruction to return to work yesterday at a mass meeting. Back Page.

STEEL production in the U.K. fell 4.7 per cent. in March compared with February and was 8.3 per cent. below the figure a year ago. Many works are operating at about two-thirds of capacity. Page 7.

CHAIRMAN of Italian conglomerate Montedison, Sig. Eugenio Cefis, has announced his resignation. Page 35.

LONGRIDGEO has made its second rights issue—this time for £12m.—in seven months. Back Page and Lex.

SHELL Transport and Trading has built up a fund of more than £115m. in retained earnings due to dividend restraint. Page 30 and Lex.

LEX Service Group announces a one-for-four rights issue at 42p per share to raise £41m. It intends raising dividend 10.67 per cent. to 5.25p gross. Page 28 and Lex.

VOLKSWAGEN signalled its return to financial health yesterday when its supervisory Board proposed a 10 per cent. dividend payment—the first since 1973. Page 34.

CHIEF PRICE CHANGES YESTERDAY

Table with 2 columns: Item and Price Change. Includes items like Property Inv. & Fin., Sedwick Forbes, Tetralem, Travis & Arnold, Trust Houses Forte, etc.

Carter drops plan to boost economy

BY DAVID BELL, WASHINGTON, April 14

PRESIDENT CARTER to-day abandoned a major part of his economic stimulus package, saying that the economy was improving faster than expected and it was no longer needed. The President, whose action took Washington almost completely by surprise, said that the rapid improvement in the economy and renewed fears about inflation had prompted him to take a fresh look at the package.

Share and bond prices rise

ORDINARY SHARE prices, and more significantly, bond prices rose strongly on Wall Street in response to Press reports of the impending withdrawal of the tax rebate. At the close, the Dow Jones industrial average had risen 8.8 points to 947 in heavy trading and bond prices had risen strongly.

Reputation

As late as yesterday Mr. Michael Blumenthal, the Treasury Secretary, was arguing publicly and privately in favour of the rebate and adding new reasons why it should be passed by a reluctant Senate.

Gormley rules out wage restraint for miners

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

THE MINERS will reject any attempt to prolong wage restraint after the TUC and Government will have to manage without them, Mr. Joe Gormley, president of the National Union of Mineworkers, said yesterday.

Castling a long shadow over the bargaining that has now begun between the TUC and Government, Mr. Gormley said it was a "fact of life" that the NUM conference in July would carry a resolution against the social contract.

His confident forecast, based on the uncompromisingly hostile agenda to be debated by the union, came only a day after the TUC economic committee met Mr. Healey and other Ministers and agreed to start detailed discussions towards a Phase Three agreement.

It is a damaging psychological blow for the Government that will influence many other union delegates as they enter the conference season. Without the miners — and possibly without the engineers too — a pay deal — at least of the sort the Government wants — would be hard to sell and harder to deliver.

If events prove Mr. Gormley right, the miners could well pursue their target of £100 a week for faceworkers — a rise of 30 per cent. — next winter. They already expect a high-priority productivity scheme to be negotiated for August 1 after the present £2.50-a-week pay limits end.

Mr. Gormley said after a meeting of his national executive: "You can count the votes (the conference votes) and even if you are the biggest advocate of incomes policy, you could not hope to get a resolution supporting incomes policy out of the conference. All the resolutions are against it and a resolution against it will be carried. It's a fact of life."

Mr. Gormley has warned before of the miners' defection this year after last year's close ballot result in favour of Stage Two, but not in the explicit and categorical way he did yesterday. The only chance of the miners if they are to agree to a third supporting the social contract

He said that even Senator Hubert Humphrey, who has earlier backed the rebate, had told him he was having second thoughts about it. In any case, he added, "I don't have a reputation for trying to avoid a political fight."

Answering questions to-day, Mr. Blumenthal conceded that other industrialised nations might be surprised by the withdrawal of the rebate in view of the Administration's attempts to persuade stronger countries to relate.

"He wanted the rebate to stimulate consumer demand, but we have now decided that it was not needed because consumer demand was improving anyway," he said.

Nonetheless, several of America's allies are likely to have been taken aback by the sudden way in which the rebate has been cancelled, and President Carter is likely to be closely questioned on his change of heart at the London economic summit in May.

The President and his economic advisers said this afternoon that the improvement in the economic indicators was much better than expected.

The last three months' inflation statistics had been somewhat worse than expected and there was a danger that the rebate would push the economy into too high a gear.

Mr. Charles Schultze, chairman of the President's council of economic advisers, said that the stimulus package had always been intended to be flexible.

When it was first drawn up in December, the U.S. economy had been in a very different and much less healthy state than it is now.

"We have found that we can get the same improvement in the economy as we wanted without the rebate because the consumer has done it for us already."

One of the indicators to which the President has clearly paid close attention is the index of leading indicators, which groups together 12 key sets of statistics in an effort to project future economic trends.

Improvement This has been pointing to steady improvement over the last few months, except in the earlier part of this year when the severe winter caused a temporary decline.

All three economic advisers said to-day that the winter had had a much less serious effect on the economy than expected.

The President said that he had been worried by the inflation statistics and Mr. Schultze, while sticking to his often expressed view that the rebate would not have been inflationary, said that its withdrawal would stimulate much needed business confidence.

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All-industry index up by only 0.9%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRIAL OUTPUT has increased only very slightly in the last few months with manufacturing activity, in particular, almost unchanged since the autumn.

The Central Statistical Office announced yesterday that the all-industries index was only 0.9 per cent. higher in December, February period compared with the previous three months. On the same basis, manufacturing output was 0.1 per cent. lower.

The only significant growth in the period has come from a further rise in the production of North Sea oil and gas and associated activities, accounting for between a third and a quarter of the increase in the all-industries index on a three-month basis.

Otherwise, the picture is generally bleak and, in combination with the depressed trend of retail sales, points to a very slow rate of economic growth.

Exports

The Government has been pinning its hopes on a significant rise in both export volume and manufacturing investment in order to lead the upturn.

But neither of these has appeared yet though there are some signs of recovery in the last CBI inquiry — an index which has been flat for early increase in export volume.

Against this background, with the prospect of a further rise in unemployment, the news from the U.S. last night of President Carter's change of economic plan is likely to lead to renewed calls from British Ministers stressing the need for expansionary action by the stronger economies.

Meanwhile, within the U.K., the sluggish growth in output — hardly at a rate to meet the Treasury's own modest growth projections — is likely to reinforce pressure for a further fiscal stimulus in measures later this summer or in the early autumn.

The latest figures show that the pick-up in production in the early autumn was sharper than thought at the time but that the rise has been "slight in recent months," in the statistical office's own words.

The fluctuations from month to month are shown in a slight fall behind the trend in January and February in the all-industries index — from 104.3 to 104.0 (1970=100, seasonally adjusted).

The earlier low figure for December, distorted by the long holidays, may be depressing the three-month rate of increase in the all-industries index — which could look slightly more favourable next month.

But this cannot disguise the clear flat trend in the manufacturing index since October, though the latest CBI inquiry did point to a generally

Table with 3 columns: Year, All Industries, Total. Rows for 1975 1st, 2nd, 3rd, 4th and 1976 1st, 2nd, 3rd, 4th. Source: Central Statistical Office

more optimistic picture with the prospect of steady growth in manufacturing output.

The figures so far show that the only perceptible rise has been in the textile and clothing sector — up 3.9 per cent. on a three-monthly basis — reflecting both export and domestic demand, including tourists.

Elsewhere, food, drinks and tobacco output was 2.4 per cent. down, and engineering production in the last CBI inquiry — an index which has been flat for several months, began to be affected towards the end of February by the British Leyland dispute.

Mining

The rate of growth has been somewhat higher recently outside manufacturing because of the rise in mining and quarrying production, reflecting the increase in North Sea activity — up 8.6 per cent. in the last three months — and a 5.3 per cent. increase in power and water output because of the cold spell.

However, production in the latter sector fell back in February.

The all-industries index over the last three months was about 21 per cent. higher than in the same period a year earlier; the corresponding rise for manufacturing was 31 per cent.

The figures show that there has been little change in the output of consumer and investment goods industries in the last three months. Editorial Comment Page 18

Mortgage cut of 1% expected to-day

By Michael Cassell, Building Correspondent

A CUT in the mortgage rate of 1 per cent. is expected to be announced to-day.

The policy committee of the Building Societies Association agreed yesterday afternoon on the reduction and the decision should be endorsed this morning when the association's 36-man council holds its monthly meeting.

The new rate of 11 1/2 per cent. will operate immediately for new house buyers and become operative within the next few weeks for existing borrowers.

The mortgage rate rose from 10.5 per cent. to its present record level of 12 1/2 per cent. last November.

Continued on Back Page

Rio Tinto-Zinc seeks ruling on 47% dividend increase

BY MARGARET REID

RIO TINTO-ZINC Corporation, the international metal and minerals group, is awaiting a Treasury ruling on whether it can be treated as free from dividend control, in which case it would raise its 1976 dividend by about half.

The company, which yesterday announced a nine per cent. increase in its earnings of £81.3m. last year, compared with £58.6m. in 1975, is hoping to be exempted from dividend control as Incheape, which gains more than 30 per cent. of its profits abroad, recently was.

RTZ, which has 90 per cent. of its assets overseas, last year derived 50 per cent. of its earnings and 55 per cent. of its pre-tax profits, from operations abroad.

Sir Mark Turner, the chairman, said yesterday that application had been made to the Treasury for exemption from dividend control about a fortnight ago and it was not surprising that a decision had not yet been given.

If the normal dividend control applies, the group plans to lift its dividend by just the normal limit of 10 per cent. But, if free of the restriction, the plan would be to raise payment for 1976 by 47 per cent. to a total of 82 1/2 pence. The shares yesterday closed 6p up at 224p.

A considerable stir was caused last month when Incheape, which was raising \$25m. in the Euro-bond market through a convertible issue, was granted exemption from U.K. dividend control because of the high proportion of its overseas earnings. Similar concessions have been made in one or two other cases.

Mr. Andrew Buxton, finance director of RTZ, said yesterday: "The fact that we named the dividend rate we would pay if exempted did not imply that we were confident about the Treasury's decision."

They had stated the desired rate to give the maximum information in the interest of avoiding a false market. Lex, Back Page Mining News Page 33

Features

Table with 2 columns: Feature and Value. Includes items like U.S. water shortage, Report from Tel Aviv, FT SURVEY, Vehicle finance and leasing.

ON OTHER PAGES

Table with 2 columns: Page and Content. Includes items like Appointments, Management Page, Mining News, etc.

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أخبار من الأناضول

LOMBARD

Living with stable numbers

BY PETER RIDDELL

THE PROSPECT of a stationary population in the U.K. has caused a great stir among demographers and social policymakers in view of the possible impact of a growing proportion of old people and a smaller number of schoolchildren. But what are the economic implications? Will a falling birth rate merely ensure that our relative decline continues? The figures are certainly stark; over the past 10 years, there has been a turnover from a natural increase of 286,000 in the population in England and Wales to a decrease of 13,000 last year (even before allowing for a net outflow from migration)—entirely as a result of a lower birth rate.

The economic implications depend, in part, of course, on whether this trend continues—and demographers have twice radically changed their view since the last war. But something can be learnt from comparing a stationary population and one which increases at 1 per cent a year, as in the U.K. up to the early 1970s. On this basis, Professor Brian Reddaway of Cambridge University argues in the current issue of the Lloyd's Bank Review that it makes relatively little difference so far as real income per head is concerned which of the alternative population paths occurs.

Exaggerated

The aggregate level of demand is admittedly likely to grow more slowly than otherwise with a stationary population. But this says nothing about output or income per head. Indeed, as Professor Reddaway points out, the growth in demand between the census years of 1961 and 1971 owed much more to rising productivity than to increasing population.

If the switcher from a growth in population of 1 per cent a year to a stationary total can be regarded as relatively small in aggregate economic terms, not least because the change itself is small, the impact could be much larger on particular sectors. But the fears here seem to be considerably exaggerated. Professor Reddaway points out that less than a quarter of the houses built between 1963 and 1971 were required to match population growth with the rest going to offset demolition and to meet demand created by the splitting up of what had been single unified households.

Similarly, no more than 3 per cent of the production of cars and television sets in this period reflected the rise in population; increasing market penetration and replacement were by far the most important factors. Even in cases where penetration of consumer goods has reached a high percentage the difference made by a stationary population is small compared with the large replacement demand.

The implications for education policy and pensions are also not as large as they seem. While a declining birth rate creates, in itself, a small problem for the teacher training colleges, this is far less serious than the difficulty already created by the earlier decision to increase their capacity.

On the other side, a fall in the birth rate, and eventual decline in the number of school leavers, does not by itself reduce the number of people out of work—at least as important for the labour market in recent years has been the increased numbers of married women working. But one undoubted bonus is the favourable impact of smaller potential aggregate output on the balance of payments—where the per capita adjustments are irrelevant. This reflects a slower growth in imports—for example of food—and a smaller matching need to boost exports.

But if, as Professor Reddaway argues, these strictly economic factors are relatively unimportant, producing a change in the problems with which administrators and planners will have to grapple rather than any great effect on output per head, the advantages on the social and environmental side from not increasing the number of people are "very real." Indeed competition for what Professor Fred Hirsch has recently called positional goods—of which there is a physical scarcity or obvious advantage on the social side—Old Masters—should lessen. So a static population, though not demanding can be seen as a positive point for the next decade—if it continues.

NORTH SEA OIL REVIEW

THE CHANGE in part of the Thistle Field ownership has raised a few eyebrows in the offshore industry. The deal in arrangement. Firstly, the price was clearly influenced by the amount of interest shown in Santa Fe's stake. A number of U.S. and European companies had also bid for a portion of the field, and indeed, a British group is particularly peeved that Ashland Oil is prepared to pay for a quarter of this stake.

Ashland has agreed to buy a 5.43 per cent share in Thistle for \$78.9m. (£45.9m.). "On the face of it, the price being paid is extraordinarily high," comments Gilbert Elliott in its latest broker's report. The opinion was typical of many expressed in London this week.

Judging by the published facts, Santa Fe has secured a good deal. Inevitably unofficial reserve estimates for Thistle vary considerably, although a recoverable figure of 555m barrels is currently favoured. Consequently Ashland will have direct access to around 28.5m barrels.

Gilbert Elliott makes the point that the deal values the oil in the ground at nearly five times the figure paid by Deminor for the United Canso share three years ago.

It is rightly stressed, however, that such comparisons are misleading. The bulk of the development expenditure (around \$1bn.) has now been committed. The first cash flows are expected later this year; the Thistle partners are hopeful that the field will begin producing in November. The production rate should reach 200,000 to 220,000 barrels a day by 1979.

So most of the risks are in the past. The partners—Deminor, Santa Fe, Ashland, Pricol, Charterhouse, Burnham Oil, BNO, BODL, Conoco and Gulf—will soon start recovering their considerable investment.

This provides one clue to the reason for the price agreed by Ashland. The investment in the Santa Fe stake, together with Ashland's share of the remaining development costs, will be offset by early revenue from the field.

It is understood that Santa Fe has agreed that Ashland should pay its \$78.9m. in instalments over a five-year period. As a result, on a cash-in/cash-out basis, Ashland should never have more than \$35m. paid out

at any one time. But there are other reasons and help to explain the firmance in arrangement. Firstly, the price was clearly influenced by the amount of interest shown in Santa Fe's stake. A number of U.S. and European companies had also bid for a portion of the field, and indeed, a British group is particularly peeved that Ashland Oil is prepared to pay for a quarter of this stake.

Secondly, and perhaps most important, Thistle provides Ashland with a new secure source of crude oil feedstock. Ashland is one of those oil companies which are short of crude, in the sense that they refine and market much more than they produce.

The company has seven refineries in the U.S. When the current expansion programme is completed, these plants will have a design capacity of about 470,000 barrels a day. On the other hand, Ashland's production facilities in the U.S., Canada, the Gulf, Nigeria and Indonesia has provided the group with around 65,000 h/d.

The balance of crude is acquired on the open market. So Ashland will be looking towards Thistle to make up some of this shortfall. Apparently the agreement gives Ashland the right to buy crude oil from Santa Fe's remaining stake in Thistle, or at least, the crude oil which will be available after the British National Oil Corporation has exercised its participation option.

This provides the Government and the companies with plenty of scope for flexibility. For instance, the Department is not insisting that each company, or refining each field consortium, refines up to two thirds in Britain. It sees this target as one relating to the North Sea as a whole so that Shell and Esso, with their large U.K. refineries, achieve more than this two-thirds, companies like Ashland and Santa Fe should be able to export at least a large part of their production.

Furthermore, Mr. Anthony Wedgwood Benn, Energy Secretary, told U.S. companies recently that the Government recognised that some non-North Sea crude would have to be imported in order to meet refining and marketing requirements.

This makes sense, for surely it is in the interests of the balance of payments to export high grade North Sea oil, the price of which is being linked to the premium crudes of Africa, and to import cheaper heavier crudes for refining and upgrading.

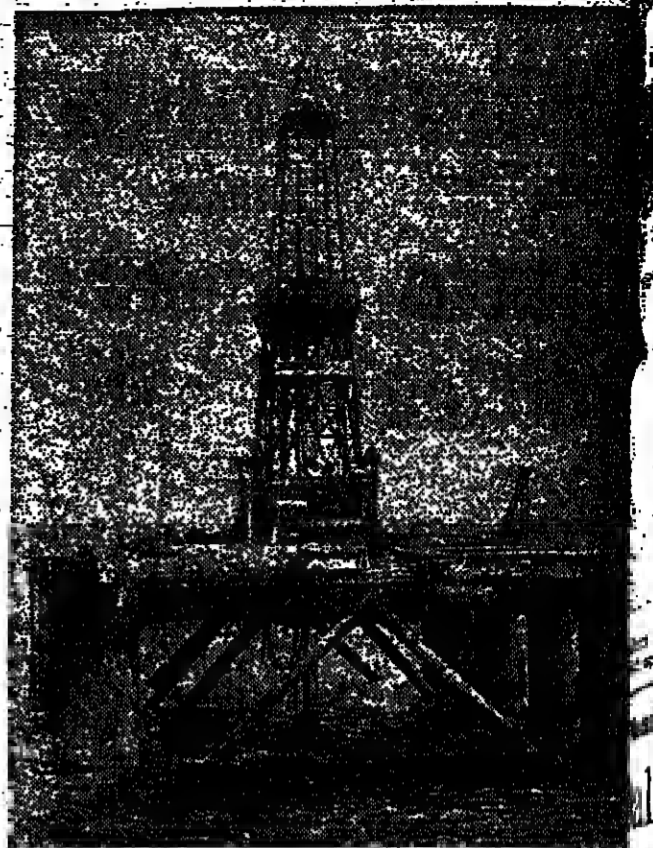
No doubt this refining and exporting issue will be one that Ashland and Santa Fe will want to settle before they conclude the deal early next month. Although not stated, there may be other benefits in store for Ashland. For example, block

211/18 which contains the bulk of the Thistle field also holds other promising oil accumulations, known as zones one and six. These have been excluded from the Santa Fe agreement, but if they are developed, using the Thistle facilities, Ashland may again be offered a stake.

The Thistle Group operator, BODL, has announced that the Deep Sea Saga rig is to appraise one of the 211/18 finds, the reservoir identified by the 12th well on the block in July last

year. It is thought in the industry that this discovery, in the north of the block, may have been confirmed by another successful well drilled this winter some two miles to the North East.

A well, recently drilled by the Deep Sea Saga to the south of this 211/18-12, 211/18-13 structure has been plugged and abandoned as a dry hole, but this block—peppered as it is with wells—must still be regarded as one of the golden squares in the North Sea.



The Deep Sea Saga—about to appraise one of the reservoirs close to the Thistle field on block 211/18.

has found what it was looking for.

The well was drilled to appraise the Magnus Field. Earlier this month the company confirmed that the results of the test would influence how and when the field would be developed, and it now seems likely that BP will formally announce its development commitment later this year.

Some oil industry analysts have suggested that recoverable reserves could be about 500m barrels, although BP, which has become much more coy about releasing exploration information in the past year or so, has not confirmed this figure.

What is known is that the field lies in deep water to the north of all the commercial fields in the U.K. and Norwegian sectors. As a result start-up costs are high, but novel production techniques, such as a tension-legged platform, may be used. The way in which the field will be developed is still being considered by BP, however.

Finally, the Norwegian Government is expected to announce shortly the development of Norwegian Valhall and Ekofisk discovery. These have been found by the Norwegian Oil Company. This group has been working with Phillips and British and Norwegian companies to produce and gas through the Ekofisk transport facilities. This way oil will be brought to the coast via the Ekofisk pipeline. It is understood oil production could reach a peak of 90,000 barrels a day, with output rising to 120,000 barrels a day.

According to Norway reports both Amoco and Shell are competing for the right to develop the field. The central government has indicated that the field could be developed in 1980. The field is situated in the East Valhall area, on stream over the next three years.

RIG MOVEMENTS OFFSHORE THE U.K.

Table with 4 columns: Operator, Rig, Block, Operator, Rig, Block. Lists various oil companies and their rig movements in different blocks.

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TV Radio

Indicates programme in black and white. BBC 1, BBC 2, BBC 3, BBC 4, BBC 5, BBC 6, BBC 7, BBC 8, BBC 9, BBC 10, BBC 11, BBC 12, BBC 13, BBC 14, BBC 15, BBC 16, BBC 17, BBC 18, BBC 19, BBC 20, BBC 21, BBC 22, BBC 23, BBC 24, BBC 25.

F.T. CROSSWORD PUZZLE No. 3355

Crossword puzzle grid with numbers 1-25 indicating starting positions for clues.

ACROSS: 1 Fashionable doctor to thwart (6), 2 Plan to injure footballer? (5-3), 3 Comfort found at the organ (7), 4 Northern frontier for insular southerners (7), 5 Bonneted beast could be a dithous bargain (3, 2, 1, 4), 6 Animal has right to go to jug (4), 7 Spread on the border (5), 8 Improve party given to punter (2, 6), 9 School beginners pitch into luxury class (4, 4), 10 Swank about feathered wrap by the way (5), 11 Attempt to wound (4), 12 Animated film star makes boy-tower his head (6, 4), 13 Entertainer offering variety or tripe (7), 14 Dramatic setting for disturbance on railway (7), 15 Pull face when Greek leader is let down (6), 16 Pressing for description of Abraham (5), 17 Master ought to go over religious instructing with a wive down under (5), 18 Sleep that is right to file (7), 19 Monopolist fish merchant (4, 5).

RACING

Major Dick Herr has by far the best record of any trainer at Newbury in terms of the number of winners. The One Thousand Guineas received something of a boost when the Secret backed up in the Mall Cup Stakes, run over seven furlongs, though it has to be admitted that this filly's claim to be British bred solely on the fact that she is trained on the local track.

To-day the Fred Darling Stakes at Newbury brings out Miss Pinkie and Durtal, the second of whom, however, is earmarked to run in the Poule d'Essai des Poulchies, the French equivalent of the One Thousand Guineas, at Longchamps on May 1.

There is no direct line between these two fillies; and, judged on breeding, there is no question about the ability of either to stay to-day's distance. Durtal, by the promising French sire, Lyphard, has been doing plenty of work at Lambourn and may be the more forward in condition of the two, but I would not care to risk much money on the outcome.

NEWBURY

230-Halomaista, 340-Durtal, 430-Belfalas, 430-Amity, 500-Tobique. BEVERLEY: 245-Hit The Deck, 315-Black Crow, 415-Self Satisfied, 445-Fair Kitty. Ayr: 215-King Commander, 315-Navigation, 415-Mote Hero. BANGOR-ON-DEE: 245-Toscana.

BY DARE WIG

Hern the hunter has three good prospects. YESTERDAY, at Newmarket, English hopes of winning the One Thousand Guineas received something of a boost when the Secret backed up in the Mall Cup Stakes, run over seven furlongs, though it has to be admitted that this filly's claim to be British bred solely on the fact that she is trained on the local track.

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LEGION seeks young people for community work

A CAMPAIGN to involve young people in community work is being launched by the Royal British Legion. The organisation is assembling registers of young people who are prepared to help the sick and the elderly.

Edinburgh site attracts interest

THE HOLIDAY INN hotel chain is understood to be among groups which have expressed interest in building a new Edinburgh's Castle Terrace site, which was earmarked for the city's opera house until the project was abandoned last year because of rising costs.

Taximen call off protest

Liverpool taxi drivers yesterday agreed to end their demonstrations in the city centre in protest against a ban on bus lanes.

BANK RETURN

Table with columns for BANKING DEPARTMENT, LIABILITIES, and ASSETS, showing various financial figures.

ISSUE DEPARTMENT

Table with columns for LIABILITIES and ASSETS, showing various financial figures.

Large vertical advertisement for JEDDA and other services, including contact information and promotional text.

EUROPEAN NEWS

LEGALISATION OF COMMUNISTS CONDEMNED

Military warning to Spanish PM

BY ROGER MATTHEWS

MADRID, April 14

ALL UNITS of the Spanish army strongly condemned the legalisation of the Communist party...

Government. Secondly, the army considered it inadmissible that by an administrative error the Minister of the Army had not been informed sufficiently in advance of a critical decision.

meanwhile moved swiftly to-day to name a new Navy Minister to replace Admiral Pita de Veiga...

the date of the general elections scheduled for June. The Prime Minister also has to find replacements for the Under-Secretary for the Merchant Marine...

NATO said to have mishandled AWACS

By David Sochan

BRUSSELS, April 14. THE NATO Organisation today came in for criticism of its handling of the ill-fated attempt to procure a uniform airborne early warning system (AWACS) for the whole alliance.

French police suspect Brazil link in Fiat chief's abduction

BY ROBERT MAUTHNER

PARIS, April 14

FRENCH police have still not identified the group or its hideouts behind last night's kidnapping in Paris of the Italian Fiat group's top executive in France...



Sig. Revelli-Beaumont

A telephone call to a local radio station from a man saying he represented the Defence Committee for Italian Workers in France...

returned from a two-weeks visit to Brazil. Sig. Revelli-Beaumont, who is 68 and of Italian origin, was grabbed by four or five men...

his chauffeur, M. Henri Miller, who was clubbed with revolver butts and left bleeding, but not critically injured, on the pavement...

Portuguese Socialists in union attack

By Our Own Correspondent

LISBON, April 14

THE POLICY making body of the Socialist party opened a frontal attack on the Communist-dominated General Confederation of Portuguese Workers in Lisbon today.

Mail pile-up threatens to paralyse Italian business

ROME, April 14

SOME 15m. money orders have piled up in Italian post offices, leaving tens of thousands of old people without their monthly pension payments and threatening to paralyse business and the civil service.

In a postal system where inefficiency and red tape have made overtime work a must, the measure resulted in more and more daily unfinished work.

Call for joint action over world steel

FRANKFURT, April 14

THE WORLD steel committee of the International Association of Metalworkers Unions is calling for a co-ordinated effort between employers, unions and Governments to solve structural production problems in the world steel industry...

Turkey plans new Sismik voyage

ANKARA, April 14

TURKEY SAID to-day that there are oil reserves in the Aegean Sea and it is sending its co-ordinated research ship Sismik I into Aegean waters on May 1 for further tests.

Scientific data collected during the previous expeditions of Sismik I show that there are oil reserves in five different areas in northern Aegean...

Brezhnev's visit will go ahead

BY OUR OWN CORRESPONDENT

PARIS, April 14

THE OFFICIAL visit which Mr. Leonid Brezhnev, the Soviet leader, is due to pay to France this summer will take place as originally planned in spite of the differences between Moscow and Paris over the French intervention in the Zaire conflict.

Mr. Brezhnev would be coming to France in late June or early July. He was due to be received by the French President last Tuesday, but the meeting was postponed following the announcement that France was providing transport aircraft to ferry Moroccan troops to the southern Zaire province of Shaba...

Zaire crisis was only doing so to draw attention away from the intervention of other countries. The Congo National Liberation Front (FLNC), which claims responsibility for the attack on the Zaire armed forces in Shaba, announced here to-day that it had obtained information from captured Zaire soldiers that 50 French pilots were flying Mirage bombers in the country and taking part in the fighting.

The Angolan Defence Minister said that the freighter was attacked 12 miles from the Zaire port of Matadi, which lies about 80 miles up the Zaire River, the border between the two countries. The vessel has been returning to Luanda from the Angolan town of Noqui, 50 km from Matadi.

Denmark legal move to avert pay clash

By Hilary Barnes

COPENHAGEN, April 14. THE SOCIAL Democratic government today passed a collective wage settlement between the trades union organisation and the employers' federation in the form of draft legislation.

The government's action follows the decision yesterday by the general council of the employers' federation to reject the settlement negotiated in its behalf earlier this month. The unions in their organisation accepted the agreement by ballot.

The social security system, which previously reimbursed 70 per cent of the price of essential drugs, will now reimburse only 40 per cent. On the other hand, the national health service will now reimburse the entire cost of essential and expensive drugs, instead of only 80 per cent as before.

National health contributions of wage-earners over 35 years of age and of agricultural workers will be increased, whereas they had previously benefited from special reduction, and a draft change of Frs.15 (about £2) per week to be paid by patients in hospitals. The Health Minister hopes that these measures will save some Frs.40m. (about £7m.) this year.

Welfare charges anger unions

BY OUR OWN CORRESPONDENT

PARIS, April 14

THE FRENCH trade unions have fiercely criticised a series of measures adopted by the government to wipe out the deficit of the social security system, which has reached alarming proportions.

The main target of the unions' anger is the increases in the costs of medications and hospital treatment decided on by Mme. Simone Veil, the Health Minister, which will hit people of modest means particularly hard, they claim.

Adrian Dicks writes from Bonn: The West German Cabinet decided yesterday to send food and medical supplies worth DM5m. (£1.2m.) to Zaire, in response to what the official spokesman described as the urgent needs of the population in Shaba. The supplies will be flown to Zaire in civilian aircraft, rather than in those of the West German air force, the spokesman emphasised.

EAST-WEST ECONOMIC RELATIONS

Trade ties to save detente

BY DAVID EGLI IN GENEVA

IN AN atmosphere of continued confrontation over human rights issues, economic co-operation may provide the key to the survival of east-west 'detente' enshrined in the final act of the Conference on Security and Co-operation in Europe (CSCE).

The application of the Helsinki agreement will come up for scrutiny at a preparatory meeting in Belgrade in June, and then at a formal review conference in the autumn. It seems unlikely however, that either side will yield very much on ideological or cultural issues.

Even such trade links as now exist are essentially sporadic. The East Europeans' basic aim is still to earn sufficient foreign exchange from exports to be able to import more goods from the West. The trade is still not seen in the context of permanent commercial relations.

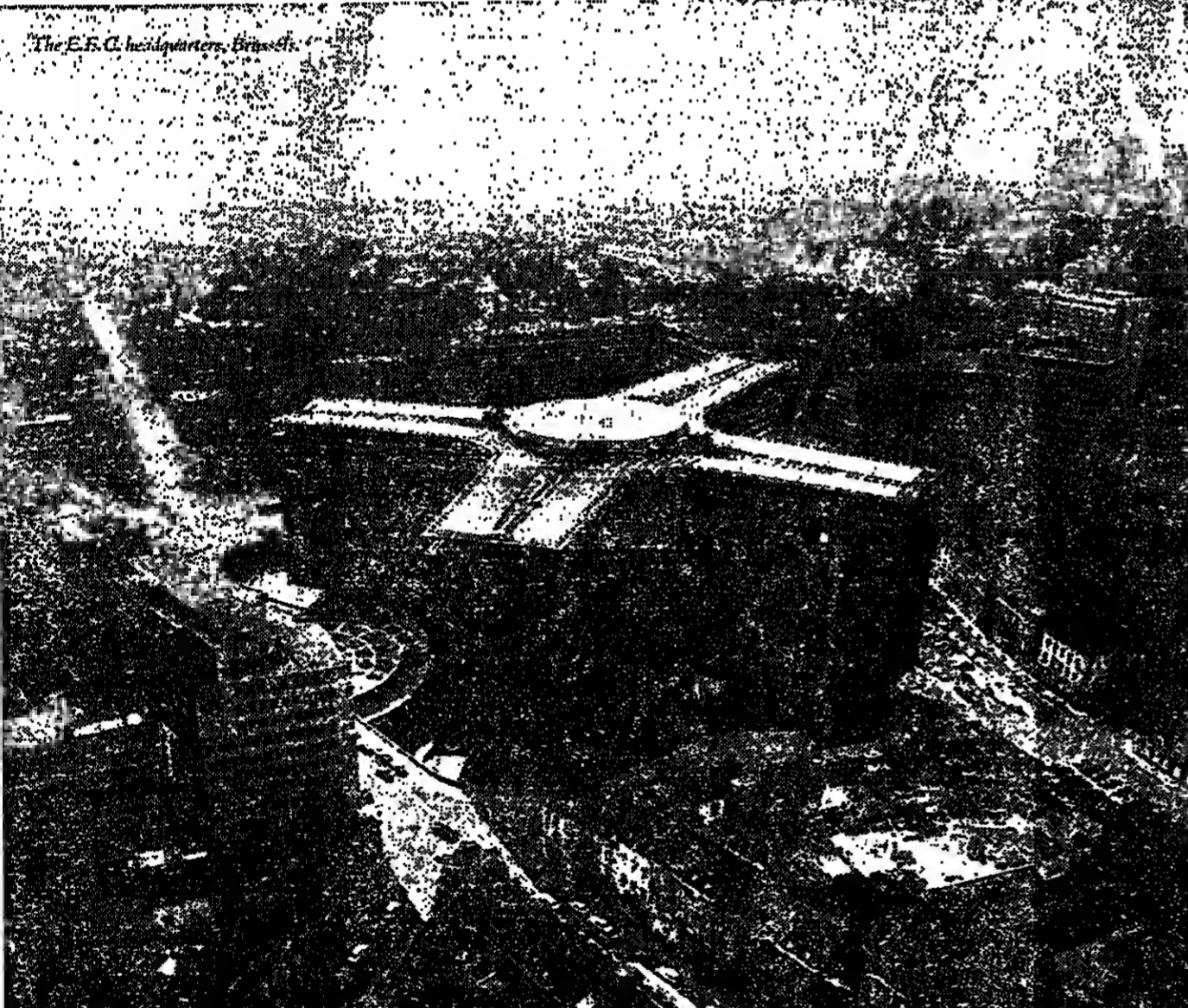
On the Western side, the attitude is the reverse: exporting to Eastern Europe becomes attractive when the economy is in recession and manufacturing industries are working below capacity. There has been little trade specialisation or export orientation so far, mainly because neither side has wished to become dependent on the other.

It will be important, Mr. Stanovnik feels, to avoid a "further souring" of the atmosphere during the ten-day session of the Commission, starting next Tuesday, but he sees signs that everyone is yielding a little bit.

This was marked initially simply by low-key technical co-operation. Agreement on road signals opened the way to efforts to standardise and make compatible statistics. But both sides were careful to avoid engaging in a process of economic adaptation which might make them interdependent.

Mr. Stanovnik also points to the fact that East-West trade, a sided residual by the East European countries, equig turns out to be two or three times higher than planned. He sees the Eastern European countries as importers of West-10 or 20 years, while he believes that the Western economies are not quick to resolve their employment and inflation problems, and that, accordingly, they will have a more permanent interest in Eastern European markets.

Now that the first spate of large-scale lending by Western banks to East European countries is over, the ECE, it is felt,



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Handwritten text in Arabic script

AMERICAN NEWS

U.S. dock strike starts; bid to weigh trade blow

BY STEWART FLEMING

DOCK WORKERS belonging to the Longshoremen's Union struck at seven major shipping lines engaged to freight business at midnight last night, disrupting trade with Atlantic ports. Union sources said about 30,000 employees would stop work today in Boston, New York, Philadelphia, Baltimore and Norfolk, and claimed the walkouts would affect ports in the Gulf of Mexico. It is not yet clear what impact the strike will have on North Atlantic trade. Early reports from New York docks suggested that dockers stopped unloading ships on the midnight deadline last night, but port authority sources could not indicate early this morning how widespread an impact the selective strike is having. The strike's effectiveness in the Gulf ports is in doubt—yesterday some union leaders said the strike was unofficial and they could not predict how much support it would get from the men. The uncertainty over the official status of the strike stems from the fact that technically the longshoremen's contract does not come up for re-negotiation until September. However, court decisions have overturned some of the work rules relating to container ship handling in the contract and led

union leaders to demand re-negotiation of the whole contract including claims for an eight hour reduction in the working week to 32 hours and a \$2 an hour rise to \$10 an hour in wages. The strike has been called against freight and container operators and is not affecting passenger lines. The shipping companies selected as targets include Sealtrain, Sea Land and the United States Lines among U.S. domestic shippers, and Hapag Lloyd Cargo and Container Service, Darr Container Line and Atlantic Container Line among private shipping lines. Soviet ships are also being struck, according to unofficial sources. Impact A spokesman for the New York Shipping Association said this morning that in New York the strike had affected three ships operated by the Target companies, that 27 per cent of the New York port's 22m. tons of cargo handled was related to North Atlantic shipping and that the companies affected by the strike handled a "very high" proportion of this trade. But he suggested that it was too early to be precise about the impact and much would depend on the duration of the strike.

John Wyles writes: All the European shipping companies affected by the strike were optimistic last night about the prospects for an early settlement. Most of them also ship cargoes into Canadian ports, principally Halifax and Nova Scotia and could, if necessary, off-load U.S. cargoes there, although they fear some risk of sympathy action by Canadian stevedores. Atlantic Container Line, a consortium of six European companies, including British's Cunard Steam Ship Company, has at least one ship stuck in New York, waiting to be unloaded. ACL has two other vessels due in New York at the week-end and a decision whether to reroute them or to discharge all of their containers at Halifax will have to be made today. A spokesman for Hapag Lloyd's British agents, Brown Jenkinson, said that so far none of the German line's ships are caught up in the strike. In the dispute persists, however, a decision will have to be made whether to refuse U.S. bound cargoes or to ship into U.S. West coast ports where the longshoremen belong to a different union. Dart Container Line, the third European target line, had a ship sail from New York on Wednesday and its next sailing is not due to arrive for another 10 days.

Patience in SALT talks stressed

BY DAVID BELL

WASHINGTON, April 14.

PRESIDENT CARTER'S National Security Adviser suggested today that the President should meet regularly with Mr. Leonid Brezhnev, the Soviet leader, but acknowledged that little progress has been made in the strategic arms talks (SALT) since they broke down in Moscow two weeks ago. Dr. Zbigniew Brzezinski told reporters that both sides are now looking for a way to make progress but that the search is being impeded by a legacy of suspicion in both sides, conflicting perspectives, varying interests and different geographical settings. In the course of his discussions with reporters, Dr. Brzezinski was apparently seeking to "de couple" a possible meeting from the idea that it would necessarily have to make concrete progress to be successful. A Carter-Brezhnev meeting, he said, would be "useful in a consultative mode." Yesterday, in a carefully worded speech, Dr. Harold Brown, the Defence Secretary, gave more details of the American negotiating position which was rejected in Moscow. He said that the U.S. was prepared to leave aside the backfire bomber, provided that the Soviet Union promised that it would not be used as a strategic weapon, in return for Soviet agreement to a U.S. Cruise missile with a range of no more than 1,500 miles. At the same time, he said, there are other unresolved issues including the "data base." This apparently harmless phrase refers to one of the "steep" issues in the arms control debate because, up to now, the negotiations have been based on American estimates of Soviet strength which the Russians have tacitly accepted without supplying very many figures of their own. Dr. Brown denied this data base as "an agreed listing of numbers in the various categories of weapons being listed." Such a list, if the U.S. were to insist on it, might for the first time force the Soviet Union to ease its secrecy and could prompt serious problems.

THE U.S. WATER SHORTAGE

Turning off the tap

BY NANCY DUNNE IN WASHINGTON

IN CONTESTING 30 water projects funded by Congress during past Administrations, President Jimmy Carter has challenged a hallowed political custom. He has tried to cut those projects he considers of most dubious value, regardless of where they are and of which Senators and Congressmen support them. In doing so, he has offended some of the most influential members of Congress. The Administration has customarily helped individual Congressmen with their pet projects, to gain Congressional backing for its own programmes. Mr. Robert Byrd, the Senate majority leader, a particularly ardent player of this game, warned the President that his tax rebate plan is doomed to defeat unless a compromise is reached in the controversy about the water projects. Mr. Carter has reluctantly indicated that he may accept some of the projects where work is well advanced, but insists that his economic policy and the water projects should be treated as independent issues. The President's decision to move against the water projects, based partially on his campaign promise to balance the budget by the end of his term, carries high political risk. Five of the most expensive projects are in the West, which is suffering its worst drought since the 1930s. Still, the disputed projects would not alleviate the water shortage

for many years to come, says Mr. Thomas J. Barlow, an official of the Natural Resources Defence Council, a private organisation which supports the cuts. Reports from States throughout the West indicate that the drought there could soon become in some ways as serious as the energy crisis. Unless the climate changes dramatically, it is expected to force people to change their domestic habits, to disrupt power generation, to hurt crops, and push up food prices, and to raise the cost of water, whose abundance and cheapness most Americans have taken for granted. Relief Since the President obviously feels the controversial water projects are not the answer to the Western drought, he has moved to give the region short-term relief, asking Congress to appropriate \$24m. for Federal grants and loans to those hard-hit by the shortage. Many groups have long opposed the projects President Carter wants to cut. The Auburn-Folsom dam in California has been criticised on safety grounds. Designed to irrigate 29,000 acres and provide additional water to 387,000 acres, it was once opposed by Governor Jerry Brown of California, who later, as the drought worsened, deci-

ded to back the project, provided it was supported by Congressional experts studying it. Opponents point out that the dam's structure would be less than a mile from an earthquake fault. Last year, the Association of Engineering Geologists said that an earthquake could shatter the dam, releasing a 100-foot-high wall of water that would breach other dams downstream and all but drown the Sacramento area. The Central Arizona project, one of the two largest with a projected cost of \$1.6bn., is now about 20 per cent complete. It is designed to draw upon the Colorado River in the Western part of the State, pump the water 2,000 feet uphill, and carry it by 400 miles of siphons to the outskirts of Phoenix and Tucson. Critics however doubt whether the river can supply enough water, contend that one of the main canals would be built over a geological fault, and object that the Yavapai Indians would be forced off their land. Another complication is the dramatically escalating cost of many of the projects. The Tennessee-Tombigbee waterway is a 232-mile barge canal designed to link the Ohio Valley with the Gulf of Mexico. When it was planned 10 years ago, it was supposed to cost \$376m., but the cost has now jumped to about \$2bn. A Colorado irrigation dam, the Fruitland Mesa, is expected

to cost \$87.2m. Its critics claim it would only benefit 56 farmers. Supporters of the project, in Congress claim that ending work on them would mean the loss of thousands of jobs. The Administration counters with a University of Illinois study showing that \$1.13bn. spent in 1968 by the Corps of Engineers, which carries out such Government projects, created 73,380 jobs. The same sum spent on mass transportation, it suggests, would have generated 78,443 jobs or spent on health programmes 115,419. This argument is only of limited help to the Administration, however, since it proposes cutting the projects from the budget completely rather than diverting the funds to other uses. Controversy Whatever the resolution of this current controversy, the drought problem will not be laid to rest by a political compromise involving a few dams. It has become clear that water supplies which Americans once thought boundless as they once thought energy, will have to be well-managed on a national scale if crisis is to be avoided. The U.S. Geological Survey has said American water usage has doubled in the last 25 years, and will double again by the end of the century.

Chung will visit China

By Our Own Correspondent

GEORGETOWN, April 14.

THE GUYANESE Head of State, Mr. Arthur Chung, has left for a month-long visit to three Communist states: China, North Korea and Yugoslavia. A Government statement said that the visits have "important political and economic implications." As constitutional President, however, Mr. Chung is unlikely to deal with political and economic matters, and his leadership of the delegation, particularly to China, is seen by some observers as a palliative to the Chinese in anticipation of a possible visit to Moscow later this year by the Prime Minister, Mr. Forbes Burnham. Unofficial reports circulating before Mr. Burnham's recent six-week absence from duties through illness had said that he would visit Canada, Moscow and London. There has so far been no confirmation of these reports.

General Motors to boost production of small car

BY JAY PALMER

NEW YORK, April 14.

GENERAL MOTORS, America's largest car maker, announced late last night that it was predicting a recovery to small car sales and that consequently it was scheduling an increase in production of its Chevette, the Chevrolet division's smallest model, by more than 50 per cent, as from the end of this month. The company said that it was adding a second work shift at its Chevette assembly plant "because we expect substantial growth in the small car segment of the U.S. market during the 1978 model year. The decision is a demonstration of our belief in the future of small cars." This move is completely out of tune with the rest of the U.S. car makers who, for the most part, continue to look for sales of the very largest "gas-guzzlers" to outpace smaller "economy" models.

U.S. car buyers have historically favoured the largest cars with smaller models only really coming into their own for a brief nine-month period following the Arab oil embargo and the petrol shortages. Since 1975, sales of sub-compact cars have been noticeably weak compared to the market as a whole with deliveries falling on a year-to-year basis, by 10 per cent during 1976 and by nearly 15 per cent in the first quarter of this year. This trend affected GM's introduction of the Chevette in the autumn of 1975. The company had forecast 1976 sales of 300,000 units and, in fact, delivered only about 150,000. Since then the continued weakness of this segment has badly hurt American car makers, unlike GM, Ford and Chrysler, has long concentrated on smaller vehicles.

Cuba to abide by hijack pact

THE anti-hijacking treaty between Cuba and the U.S. expires on Friday, but authoritative sources say that Havana will continue to abide by its terms for the time being.

On October 15 last year, Cuba gave the U.S. the required six-month termination notice after a Cubana Airlines plane crashed near Barbados, killing all 73 persons aboard. Dr. Fidel Castro, the Cuban premier, accused the U.S. Central Intelligence Agency of responsibility for planting a time bomb aboard the plane. Four Cuban exiles are being held in Venezuela in connection with the crash. The sources said renewal of the treaty, which went into effect on February 15, 1973, will undoubtedly be discussed when the U.S. and Cuba resume direct negotiations on fishing rights and maritime boundaries. The first round of talks was held last month in New York.

Venezuela plans \$8.72bn. expenditure for 1978

BY JOSEPH MANN

CARACAS, April 13.

THE VENEZUELAN government estimates that its budget for 1978 will reach around \$8.72bn., up slightly from this year's initial spending projections of \$8.29bn., Mr. Hector Hurtado, the Finance Minister, said yesterday. Responding to criticism over the 80 per cent of this year's budget allocated to current expenditures, Mr. Hurtado asserted that heavy current expenditure is necessary as more schools, hospitals and other public service institutions are set up. Demonstrating its usual tendency to overstep, Venezuela's Accion Democrática Government last year initially approved a budget of around \$7.9bn., but added supplementary allocations, that gave a year-end budget figure of \$10.37bn., about \$1bn. of the extra credits, however, involved a Government loan used to refinance

short-term official debt and another \$381m. referred to a payment from the Treasury to the Venezuelan Investment Fund. This latter payment, though, has not yet been made even though it formed part of the 1976 budget. Current expenditure last year amounted to 46 per cent of the total budget, while 36 per cent, went to capital outlays and 18 to debt service. Meanwhile, President Carlos Andres Perez has said that though it formed part of the 1976 budget, current expenditure last year amounted to 46 per cent of the total budget, while 36 per cent, went to capital outlays and 18 to debt service. Members of the Organisation of Petroleum Exporting Countries should not be resolved by "one single country" within the group, but by a consensus of opinion among all OPEC nations. The Venezuelan chief executive, who leaves next week for a five-week tour of Middle East oil-producing nations, is expected to mediate in the price conflict inside OPEC.

Fifteen held in Argentina

BUENOS AIRES, April 14.

THE ARGENTINE Army to-day announced the arrest of 15 persons — including three members of the family of the mysterious Sr. David Graiver — for an investigation of "economic crimes," and "subversive activities." Sr. Graiver's financial empire collapsed after his death in a private plane crash in Mexico last August. His Banque de L'Amérique du Sud failed in Brussels, and his American Bank was closed by New York banking authorities. Press reports on the secret military investigation of Sr. Graiver's sources of funds have charged that he invested \$17m. for the Left-wing Montonero guerrillas, as well as money for prominent figures in the Peronist movement. Among those arrested were Sr. Lidia Papaleo Graiver, his widow, his father Juan, and his brother Isidoro. UPI

Building for the world we live in.

Toyota versus the accident dilemma.

As long as there are cars on the road there will be accidents. It's unfortunate, but true. And while we cannot prevent accidents entirely, there is much that we can do. Building cars which maximize passenger safety and minimize potential vehicle damage are the on-going objectives at Toyota for all Toyota automobiles. Some five years ago we initiated our Experimental Safety Vehicle

program specifically to help engineers continue their research on traffic safety. So far, \$6 million has been invested in the project and over a hundred ESV's have been produced. The Energy Absorption body, frame and bumper system of the ESV's can withstand the impact of a frontal collision up to 80 km/h. Occupants are protected by a gas bag which is triggered by a Radar

Sensor Computer to inflate prior to collision. To assist the driver in emergency braking situations, an Electronic Skid Control System prevents lateral drift on slippery or unstable road surfaces. Road tests continued and the ESV's have proved their life-saving value in head-on and rear-end collisions, side-swipes and roll-overs. This research has contributed immeasurably to the

overall safety of all Toyotas now on the road. Nevertheless, accident prevention is still far preferable to collision resilience. A prime example of this kind of thinking is Toyota's Electro Sensor Panel, an information system which monitors, detects and warns of any malfunction in the lighting, braking, and fuel systems. Accident dilemmas remain. But our commitment is to solve them.

We have been thinking and operating this way for over 40 years since the first Toyotas rolled off the assembly line. This is because Toyota's philosophy is to build a car from your point of view. And this policy will never change as long as Toyota makes cars. People who care building for people who care



COROLLA TOYOTA



هذا من الاصل

OVERSEAS NEWS

Britain may try series of Rhodesia mini-conferences

BY QUENTIN PEEL

A REPETITION of a formal conference on the lines of the abortive Geneva effort to reach a constitutional settlement in Rhodesia may not be necessary, British sources revealed today. Rather, Britain may call a series of mini-conferences or formal consultations with each of the parties involved in the negotiations, in a bid to keep up the momentum of the initiative. It is suggested, as early as June...

Asian Bank appeal on special funds

By J. M. M. Suarez

MANILA, April 14. THE ASIAN DEVELOPMENT BANK (ADB) urgently needs a replenishment of its special funds if the 10-year-old institution is to continue extending concessional loans to its least-developed member countries, according to the ADB's 1976 annual report released here today.

Japan rejects U.S. ruling on TV tax exemption

BY DOUGLAS RAMSEY

TOKYO, April 14

JAPANESE INDUSTRY officials today denied that exports exempted from Japan's commodity tax are being subsidised by the Government as charged by a U.S. Customs Court in Washington yesterday. They also warned that the ruling, if upheld, might later be extended to cover European products which are exempt from value-added tax (VAT) for export.

ECGD performance bond cover

By Lorne Barling

THE EXPORT Credits Guarantee Department last year substantially increased the support it gives the issue of performance bonds for U.K. exports of capital goods. The bonds, which are increasingly demanded by foreign buyers on major contracts, particularly in the Middle East, have recently been extended to cover British exporters.

Front-line talks in Angola

BY OUR OWN CORRESPONDENT

LUSAKA, April 14

THE five-nation "frontline" group of black African states is expected to meet in Luanda, Angola, on Sunday for a day of talks covering the latest Anglo-U.S. initiative on Rhodesia and ways of keeping up military pressure on Mr. Ian Smith, the Rhodesian Prime Minister.

Singh takes over as Congress chief

NEW DELHI, April 14

FORMER Indian Foreign Minister Swaran Singh will take over 16-day as interim president of the Congress Party, which is now holding an internal election for a new general election defeat.

Bids for world's biggest dam

BY DAVID WHITE

RIO DE JANEIRO, April 14

FOUR international consortia have begun negotiations to supply \$650m. worth of generators and other equipment for the Brazilian-Paraguayan Itaipu dam project on the Parana river.

Foster Wheeler wins North Sea contract

By Ray Dafter, Energy Correspondent

FOSTER WHEELER of Reading, has won the important contract for process design and pre-engineering work associated with the Statoil Field, a large terminal off the coast of Norway.

Singapore imprisonment described

MR. ARUN SENKUTUVAN, Singapore correspondent of the Financial Times and the Economist, said today that he had been kept in solitary confinement for five weeks in a detention camp.

Italians in \$115m. Algerian deal

BY PAUL BETTS

ROME, April 13

THE Milan Trade Fair, according to officials, is seeking this year to promote the expansion of Italy's small and medium industries into new international markets.

Abu Dhabi development plan

BY KATHLEEN BISHTAWI

ABU DHABI, the richest member of the United Arab Emirates, is expected shortly to announce a \$8.7bn. development plan covering the period to the end of 1978.

Libyan backing for Maltese projects

By Godfrey Grim

VALETTA, April 14. A PROTOCOL accord covering the setting up of a number of industrial ventures in Malta, which at least two British companies will participate has been signed between Libya and Malta following negotiations held by Mr. Giampaolo Agius Xerri, the Libyan Electricity Minister, and Premier Dom Mintoff and other government officials.

THE PROBLEMS FACING MR. PERES

Labour in the election toils

BY ROBERT GRAHAM, MIDDLE EAST CORRESPONDENT, RECENTLY IN TEL AVIV

LIKE THE understudy who takes over from an indisposed star, Mr. Shimon Peres has moved to the centre of the Israeli political stage. Since his election on Monday to the leadership of the ruling Labour Party in the wake of Mr. Yitzhak Rabin's resignation, the Defence Minister has begun to acquire the aura of the country's next leader.

It contains a mixture of dissidents drawn from all political quarters—from hawk on foreign policy to socialists and economic liberals—essentially to Israel's disgruntled bourgeoisie. It could obtain between 10 and 15 seats. A strong protest vote of Israeli Arabs is expected to strengthen the Left, especially the Communists.

Islanders U.S. sales bid

BY MICHAEL DONNE

FAIREY BRITTON-NORMAN, also helping considerably in promoting sales in South America, has just made the maiden flight of a new version of the Bander three-engined light transport, is mounting a major campaign to boost sales in North and South America.

Food exports up sharply

Financial Times Reporter

BRITAIN, the world's biggest food importer, exported more than £250m. worth of processed foods last year, the British Food Export Council said yesterday. It is an increase of 29 per cent in the volume of processed food exports over the previous year, Mr. Ian Harrison, the Council's general secretary, told a Press conference in London.

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BSC dispute hits March steel production figures

PRODUCTION figures at about two-thirds of capacity in the heavy sector—most of which is still suffering badly from the slump in demand which some are of only 20 to 45 per cent—will impact two years ago.

Demand for NEB to drop £3m. support plan

THE National Enterprise Board has been given a six-day ultimatum by a group of 16 leather companies in an attempt to force the Barrow Hepburn Group.

O level maths proposed for teaching entry

THE GOVERNMENT will recommend in its forthcoming Green Paper on education that at least GCE Ordinary level pass grades in English and Mathematics should in future be among the essential qualifications for trainee teachers.

Tory hits at party plan for Leyland

A TORY back-bencher yesterday attacked his front-bench spokesman for suggesting that the next Conservative Government would review the situation at British Leyland and add would "not pump money into a business with no prospect of making a profit."

Leyland bus future remains in doubt

BRITISH LEYLAND'S monopoly in the motor vehicle production market is under further strain yesterday when the industrialist's spokesman said that the company's future was in doubt.

By-election Grimsby upgraded in regional grant changes

THE GOVERNMENT yesterday announced a reshuffling in the status of a number of assisted areas eligible for regional grants in the U.K.

Road analysis criticised

GOVERNMENT METHODS of assessing whether new roads should be built or improved have done as well as they could.

Tories 'should fight curbs'

A SENIOR Tory back-bencher yesterday called on the Conservative Party to oppose Phase Three of the government's economic programme.

Negligible increase in money stock

THE MONEY STOCK on all its major components has risen by 51 per cent compared with the same period in 1976.

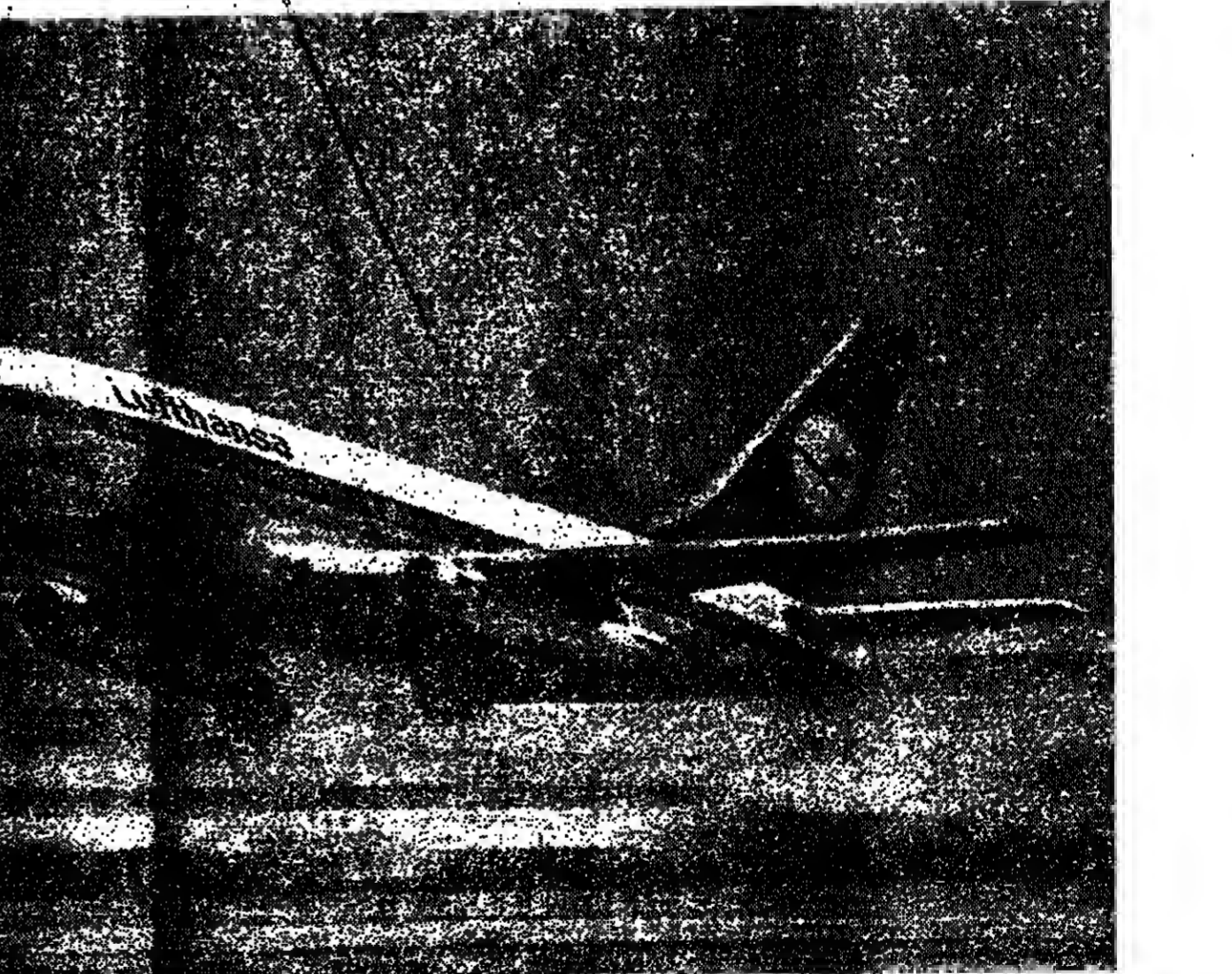
Libyan bank projects

VALLETTA, MALTA—The setting up of a new industrial venture in Libya will participate in a joint pipeline project to be used in the country.

Notice of Redemption Nippon Electric Company, Limited

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of May 25, 1966, under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, 4% redemption on May 15, 1977, through the operation of the sinking fund provision of the Indenture, \$270,000 principal amount of Debentures of said issue of the following distinctive numbers:

New! Lufthansa daily 8.25 am businessman's flight to Düsseldorf from Heathrow



Make sure you travel with our Yellow Book.

A new addition to our Yellow Book from April 1st is the daily breakfast flight LH 061 to Düsseldorf, and with the last plane, LH 060, back at 21.10 it means you can get in a full day's work and be back at Heathrow by 22.25.

Lufthansa German Airlines logo and branding, including the crane logo and the text 'Lufthansa German Airlines'.

Various small news snippets and advertisements on the left margin, including mentions of 'GD', 'EXPORT', and 'Leyland'.

Continuation of the Nippon Electric Company notice, including a table of debenture numbers and redemption details.

Continuation of the 'Tories should fight curbs' article, discussing economic policy and government actions.

Continuation of the 'Road analysis criticised' article, discussing government methods for assessing road projects.

Continuation of the 'Leyland bus future remains in doubt' article, discussing the company's financial situation and future prospects.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

SECURITY

Multitone two-way system at Harrods

LARGEST STORE in Europe, stocking a vast array of high priced goods, Harrods has a particularly difficult problem with regard to pilferage.

To help its staff of store detectives, the company has set up a Multitone Pagephone installation and provided the individual security personnel with a high sensitivity paging receiver with a talk-back transmitter in a single unit. This is small enough to slip into a pocket or handbag.

The result of the Harrods move is that staff are able to call help discreetly if a nasty situation is threatening. At the same time, the task of crowd control, particularly on the opening days of the company's major sales, will be greatly aided.

It is common that crowds are six-deep on the pavement outside the store before they open their doors and let the avid bargain hunters in to secure the prizes for which they may have queued all night. Hitherto, the doors have been opened on the form of a series of whistles. Now all the doors will be opened simultaneously on receipt of a signal through the Pagephone.

The vastly improved communication made possible with the equipment will be invaluable in case of bomb threats, to help get shoppers into safety as fast as possible.

Already, senior staff are finding the new facility a boon in solving management problems since the two-way link enables them to deal with queries on the spot without any need to go back to their own offices, even if a decision involves obtaining information from other departments in the store.

TRANSPORT

Submarine A-tanker

PLUS CA CHANGE... and one of the pieces of technology to be offered to participants at the May 2/5 Ninth Annual Offshore Technology Conference in Houston is a massive nuclear-propelled submarine oil tanker which would bring oil from such difficult areas as the Alaskan slope, or elsewhere in the Arctic, at costs that compare favourably with pipeline systems and icebreaking tankers now in use.

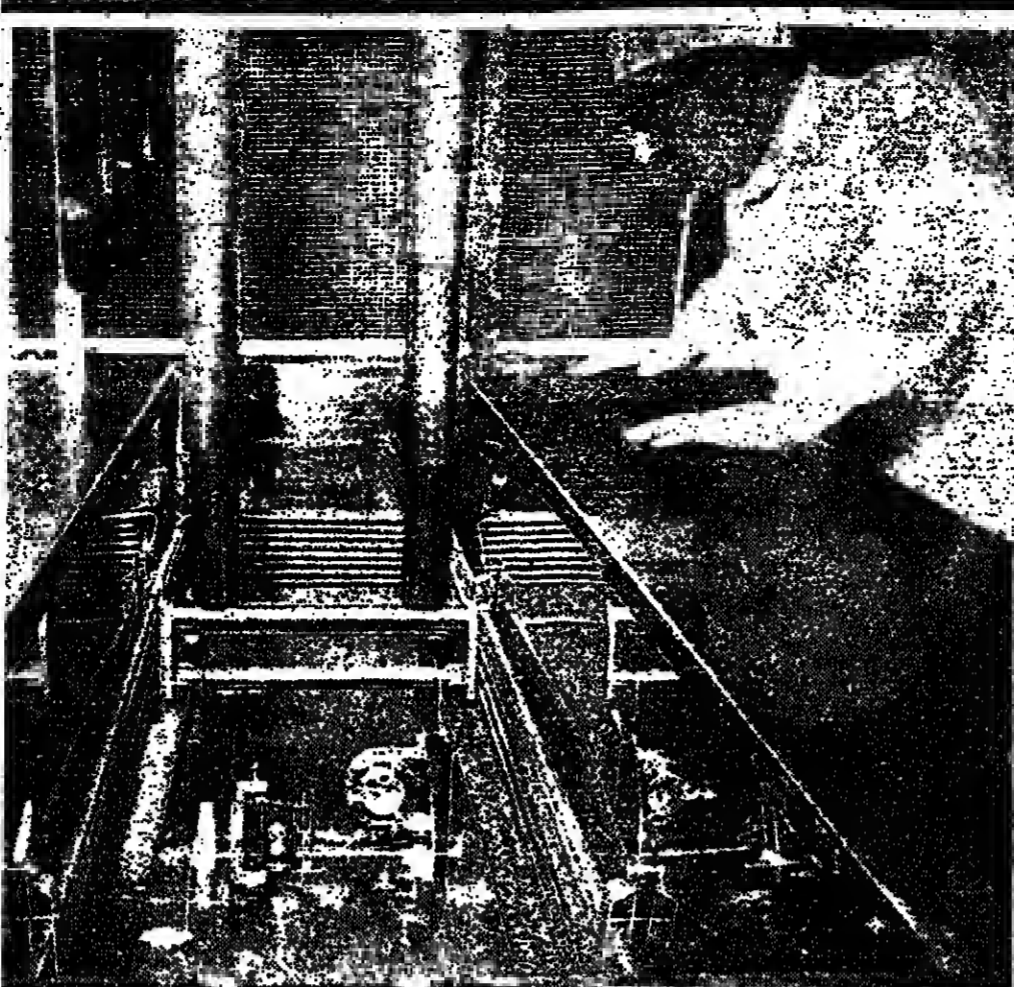
It must be all of 12 years since the nuclear submarine tanker proposal was mooted in Britain, at a time when the suggestion for a British nuclear merchantman — having run the gauntlet of three if not four

INSTRUMENTS

Gives exact recording

TWO and four channel instrumentation cassette recorders designed and manufactured by Data Acquisition offer facilities usually only found in more expensive reel-to-reel machines claims the company.

Bandwidths of DC to 12500Hz and 50 to 80000Hz are achieved at tape speeds of 1 1/2 ins/sec using FM carrier and direct recording respectively. Among the facilities offered are a monitoring



PROCESSES

Melting furnace easy to build

INTEGRATION of electric induction melting know-how at APV Paralec with the crucible technology of Morganite Crucible has resulted in a new design of push-up crucible furnace.

The melting unit can be chosen from a series of building block alternatives — capacitor module and one or two plug-in melting modules. Four capacities of melting module are available and twin units may be supplied with modules of differing capacities.

Capacitors are protected from heat and molten metal and are water-cooled. Located next to the melting units they need no heavy busbar connections and the power pack can be placed at some considerable distance from the melter.

Induction coils are ceramic fibre insulated, the protective material being vacuum-formed to facilitate replacement.

Elevated by hydraulic pressure for removing the crucible is equipped with safety interlocks which ensure that the melting coil is switched on only when the crucible is fully lowered. To guard against the consequences of crucible failure, a metal tray with enough capacity to contain the complete charge is built into the melting module.

Alarm circuits cover coolant supply failure and the whole unit is electrically isolated.

These Morlec installations would normally be supplied with a solid-state pillar power pack operating between 2500 and 3000 Hz and providing a self-correcting input to the coil during melting.

More from Morgan Thermal Designs, Steatite Works, Bewdley Road, Stourport on Severn, Worce., or from 01-222 7212.

AUTOMATION

Plug-in plan printer

NO DUCTING, developer mixing or corrosive chemicals are required for the Topaline, the latest drawing office plan printer from Oalid (U.K.). The only supplies required are power from a 13amp socket, a diazo paper with encapsulated developer.

The machine produces dry copies from pencil or ink drawings on tracing paper, linen or polyester film, and these can be printed on a wide range of rolled or cut sheet diazo.

The diazo paper is available in both blue and black line, and carrier paper is available for developing polyester film intermediates without chemicals.

Oalid (U.K.), Cowdray Avenue, Colchester, Essex, CO1 1XU. Colchester (0206) 5191.

METALWORKING

No hole for flush rivet

FOR JOINING thin sheet metal, a rivet has been developed which is claimed to have the unique ability of piercing its own hole. It also provides a flush finish on both sides of the joint.

This development, which makes riveting competitive with spot welding, eliminates the need to pre-drill the sheets and to align the holes when riveting. Automatic equipment fixes the rivet in position in a fraction of a second. The head of the rivet retains the top sheet, while the fixing tool clinches metal from the bottom sheet into a recess on the rivet shank.

The rivets are stated to have high load-bearing characteristics, with a separation load of about 200 kg. Thirty different sizes are available to suit combinations of metric and imperial top and bottom sheet thicknesses, up to a maximum total of 4mm. Approximate riveting speed is 180/minute.

These rivets can be used for stainless steel and aluminium, and for pre-coated materials. Painting and finishing can be undertaken without further cleaning of the sheets.

Called the Rex rivet, it can be supplied with cadmium, bromate and zinc plate finishes. Details from the maker, PSM Fasteners, Longcross, Wiltshire, West Midlands, WV13 2JS (0902 86011).

Hydraulic shear

MILD STEEL rounds up to 24 inches diameter can be automatically cut on a hydraulic shear introduced by J. McHenry (Machinery), Acord Park Industrial Estate, Harrimans Lane, Dunkirk, Nottingham, NG7 2TR (0602 366657).

The machine, which has 18 inch blades and can exert a shear force of 120 tons, is driven by a two-speed 17.5 h.p. electric motor. At slow speed, shearing can be controlled by hand or foot, and an inching facility is available allowing the machine to be used for "cracking" operations.

Blade opening can be varied from 1 to 104 inches, and stroke speed from 8.5 to 82/minute. Both blades are fitted with four cutting edges which can be turned as wear takes place.

Robseal SEAL ROOFS

Roof maintenance or emergency repair. Robseal can fix it fast and guarantee it for 5 years. Established 15 years. Robseal Ltd, Eastcourt Ave, Earley, Reading, Berks, Tel: 0734 661122. Also in Birmingham, Manchester, Bedford (Sand).

HANDLING

Smaller forklift

WITH A capacity of 700 lb. at 20 inch load centre, and an overall length of 37 inches (plus forks), a short wheelbase pedestrian forklift truck has been introduced by Kelvin Engineering (Basingstoke), Hatch, London Road, Basing, Hants.

Designated model PF7, it is electrically driven, and can be fitted with all the usual attachments, such as crane arm, boom or platform. A tilting mast is optional.

The machine will negotiate a 1 in 10 gradient fully laden and is stated to comply with BS 3726 stability requirements.

MATERIALS

Inhibits dye migration

MAJOR CAUSE of colour variation in polyester and polyester blend fabrics is dye migration. During continuous dyeing of such fabrics, migration sometimes occurs when water currents carry particles of dyestuff through the fibre interstices. This results in spotting and uneven dyeing which becomes particularly pronounced on uneven drying.

Called Thermacol A, a dye migration inhibitor has been developed by Allied Colloids. It is used at 10 to 30 grammes/litre in the padliquor, where it forms aggregates with the dyestuffs, creating particles which are too large to pass between the fibres.

Stability of the padliquor is said to be unimpaired during thermosetting, allowing normal fixation. Any remaining polymer can be rinsed from the fabric after dyeing. At the higher dose rates, migration can be reduced to 4 per cent (compared with 65 per cent without the inhibitor).

Details from Allied Colloids, PO Box 38, Low Moor, Bradford, West Yorks., BD12 0JZ (0274 671267).

RESEARCH

The shape of things to come

CLCUDY was the word chosen by Professor Maurice Wilkes, of the Cambridge Computing Laboratory, to describe the future of business data processing at an Infotech State of the Art Conference held in London recently.

He was at that point, discussing the future in relation to the developments now going on in the data field, and the growth of skills and confidence in the relational database sector. The attempts being made to devise databases in which the data is recorded once and once only, and then used as a common data source by all the relevant programs within the organisation for its many and varied computing purposes, also came under scrutiny.

He could have said the same about the developments in hardware, components, terminals and architecture for a reading of the conference papers indicated that computing technology is rapidly entering an era in which most conventional management needs can be met.

Time taken in solving problems is a function of the width of the solution, not of solving fundamental questions. Much can be made out of the industry's existing building blocks.

An example of this at the large end of the scale was given by Professor Caxton Foster, of the University of Massachusetts, who described a proposed system he called Meriad, which could "easily" be constructed over the next five years.

Meriad is a parallel processor, with 10,000 chips, each of which has 128K bits of store.

Built out of existing components, and with realistic allowances for contingencies, it should cost no more than \$2m.

Such a system would have many uses. He gave one example, that of a telephone directory for a city with 4m phones. One could interrogate the whole memory in around 13 milliseconds. Were it to be used by directory enquiries, the system could handle up to 77 enquiries a second, with a consequent massive speed up in response, and a substantial saving in staff.

L. C. Hobbs, President of Hobbs Associates of California, in a review of hardware component and subsystem trends indicated that he expected around 25,000 gates on a large-scale integration chip within the next five years, with the possibility of a powerful processor on a chip within ten years. He went on to point out that if sufficiently high volumes could be achieved, he would expect such chips to sell at around \$100 or less.

He expected that the distinction between microprocessors and minicomputers would cease to be meaningful.

In considering future random access memories (RAMs) he considered that the primary semiconductor device now of interest was the 4,096 bit NMOS chip, with a year from now the 16,384 bit package. Current prices were of the order of 0.12 cent per bit, and were expected to decrease significantly in less than 0.1 cent per bit by 1978.

As the larger capacity chips became dominant, he expected the price to fall to less than 0.5 cent per bit in 1979.

Overall, the cost of semiconductor devices was being reduced at around 30 per cent a year, and the costs of semiconductor storage expected to be reduced by a factor of 20 to 25 over a ten-year period.

In the area of bubble memory, he pointed out that a current supplier of a 82,304 bit memory

expected to sell it this year at between \$37 and \$46, a price per bit of 0.4-0.05 cent, and that this was expected to drop to less than \$20, or approximately 0.02 cent per bit.

In the floppy disc area, he expected that 3mb capacity floppy disc drives would become available at OEM prices of \$800 to \$1,000. This was the approach of pushing the technology.

Another approach with differing investment criteria would still leave the industry providing floppy discs of 1.5 mgb with drives for around \$500 OEM. This would facilitate the trend towards distributed systems by lowering the costs of maintaining a limited on-line database at each local site.

At the other end, in the mass storage area, beam addressed technology was now developing at a rate where those in the field were projecting addressable module capacities of 6m. bits by 1985.

N.V. KONINKLIJKE NEDERLANDSCHE PETROLEUM MAATSCHAPPIJ
Established at The Hague, The Netherlands
(Royal-Dutch)

ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on 12th May, 1977, at 11 a.m. in the "Nederlands Congresgebouw", 10 Churchillplein, The Hague, The Netherlands.

AGENDA:

1. Annual Report for 1976.
2. Finalization of the Balance Sheet and the Profit and Loss Account together with the Notes thereto for 1976 and declaration of the dividend for 1976.
3. Appointment of a Managing Director.
4. Appointment of two members of the Supervisory Board.
5. Appointment of a member of the Supervisory Board owing to retirement by rotation.
6. Fixing of the remuneration of the members of the Supervisory Board who are on the Group Audit Committee.

This agenda and the documents pertaining thereto are available for inspection and may be obtained by shareholders free of charge at the Company's office, 30 Carel van Bylandtlaan, The Hague, and at the head offices of the banks mentioned below. The nominations for the appointments referred to under the items 3, 4 and 5 are available for inspection by shareholders at the Company's office.

A. Holders of share certificates to bearer may — either in person or by proxy — attend and address the meeting and exercise voting rights if their share certificates, or evidence that their certificates are held in open custody by De Nederlandsche Bank N.V., are deposited against receipt not later than 8th May, 1977, at one of the banks mentioned below, viz:

In The Netherlands
Algemeen Bank Nederland N.V.; Amsterdam-Rotterdam Bank N.V.; Bank Mees & Hope N.V.; Banque de Paris et des Pays-Bas N.V.; Kas-Associatie N.V.; Persoon, Heiding & Pierson N.V.; Van der Hoop, Offers & Zoon N.V.

In Austria
Creditanstalt-Bankverein, Vienna; Osterreichische Länderbank AG, Vienna; Schoeller & Co., Vienna.

In Belgium
Société Générale de Banque S.A., Brussels; Crédit Lyonnais, Brussels; Kredietbank N.V., Brussels.

In France
Lazard Frères & Cie, Paris.

In Germany
Deutsche Bank AG, Frankfurt/Main, Düsseldorf, Hamburg or Munich; Berliner Disconto Bank AG, Berlin; Bank für Handel und Industrie AG, Berlin; Dresdner Bank AG, Frankfurt/Main, Düsseldorf, Hamburg, Munich or Saarbrücken; Seawarische Kreditbank AG, Saarbrücken.

In Luxembourg
Banque Internationale à Luxembourg S.A., Luxembourg.

In Switzerland
Schweizerische Kreditanstalt, Zürich; Schweizerischer Bankverein, Basle; Schweizerische Bankgesellschaft, Zürich; Bank Leu AG, Zürich; Pictet & Cie, Geneva.

In the United Kingdom
N.M. Rothschild & Sons Limited, London.

In the United States of America
The Chase Manhattan Bank, N.A., New York.

B. Holders of registered shares may — either in person or by proxy — attend the meeting and exercise the aforementioned rights if they make known to the Company in writing not later than 5th May, 1977, their desire to do so:

with respect to shares of The Hague Registry: at the Company's office at The Hague;

with respect to shares of Amsterdam Registry: at the office of Algemeen Bank Nederland N.V., Amsterdam;

with respect to shares of New York Registry: at the office of The Chase Manhattan Bank, N.A., New York.

What is stated above with respect to the availability for inspection or the possibility of obtaining the agenda, the documents pertaining thereto and the nominations for the appointments referred to under the items 3, 4 and 5 of the agenda likewise applies to holders of certificates for New York shares.

The Hague, 15th April, 1977 The Supervisory Board

A word to those who may suffer a shortage of electricity...

Lister

Specialists in the production of power generating plants from 2.75 - 175 KVA.

Send for more details to:

LISTER POWER PLANT
R.A. Lister Power Plant Ltd., Thorne, South Yorkshire
Tel: 01302 43333

Just one of the desirable sites of Newport.

Newport offers everything the industrialist is looking for, including attractive sites from 1/2 to 50 acres.

There is a fast motorway link with London, the Midlands and the North plus dockyards, convenient airports and fast, reliable rail services.

The support of a very helpful and progressive Council is available and there are ample labour resources of all types.

And when you stop working there's some beautiful country to be explored by you, your family and your workers' families.

Send for our free brochure: Better still, motor down one afternoon and see for yourself.

Contact the Chief Executive, Gwent, F. T., Civic Centre, Newport, Ref. Newport Telephone 0633 65491.

NEWPORT
where business has room to boom.

Control for industry
THORN AUTOMATION
Rugby, Staffs, ENGLAND

COMPUTING

IBM gives power to small users

A NEW small computer offering the simplicity of the IBM System/32 with multi-programming and up to eight visual display stations has been introduced by the General Systems Division of IBM United Kingdom.

The new IBM System/34 can be used as a stand-alone machine and perform as a local processing system in a branch office or subsidiary company with communications facilities to a centrally located IBM System/38 System/370 computer.

In addition the System/34 can act as a batch system accepting work entered via visual display stations or floppy discs.

The basic system consists of an IBM 6340 processing unit with a floppy disc drive, an IBM 5251 display station and a keyboard, which together act as the operator console and workstation. A further seven display stations or seven serial printers can be attached to the system.

System/34 has three main memory banks from 32 to 64K bytes and integral disc storage capacities of 8.6 to 27.1 Megabytes.

The screen of the new display station holds up to 1920 upper and lower case characters in 24 rows of up to 80 characters. The display has the ability to show a reversed image at any point on the screen and can be programmed to flash in order to highlight important fields of data.

POLLUTION

Clean air in plants

TWO COMPACT air cleaners operating on an electrostatic method are being offered for industrial use where there are problems connected with the removal of welding fumes, oil mist, dust, tobacco smoke, pollen and the majority of air pollution contaminants found in factories.

The units can either be free suspended in the factory space, or connected via steel duct work to a specific machine or any source of fume emission.

Efficiency is high, and in the majority of cases, the cleaned air can go straight back to the factory space without any external exhaust being required. This reduces the heating requirements of the factory space.

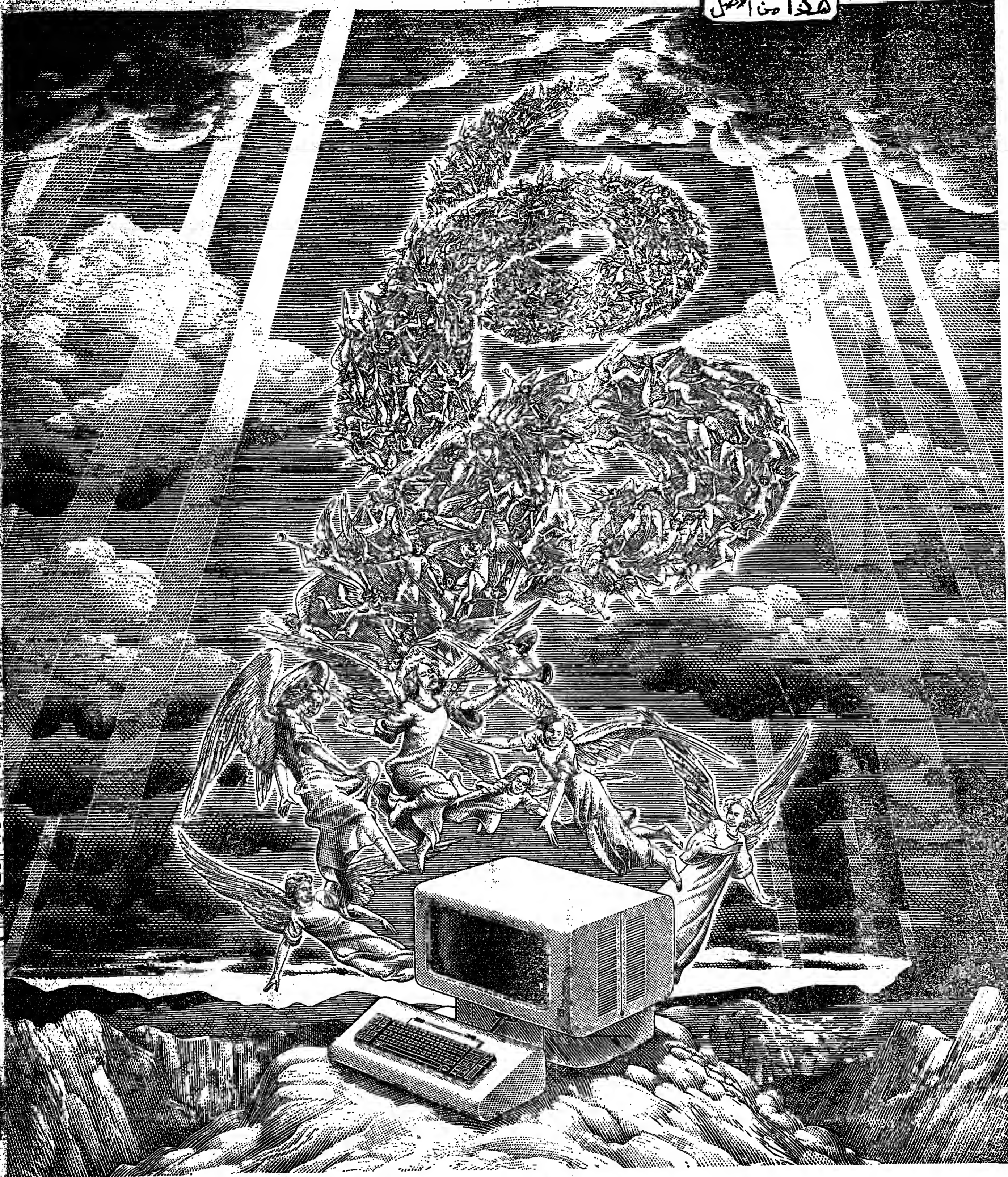
Health hazards are drastically reduced by removing from the atmosphere all air-borne contaminants.

Horizon Mechanical Services, Environmental House, 174, Chelsea Road, Bristol, BS6 6RF 0272 426511.

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سدا من الاصل

Control
OF INDUSTRIAL
THORNTON
AUTOMATION
COMPUTING
IBM gives
power to
small users
Pollution
Clean air
plants
ROOFS



We're sorry to bore you but we've got another miracle.

As from today, mere mortals can actually communicate directly with a Computer. Without even needing to be versed in a Computer's Mysteries.

The people responsible for this marvel are IBM.

And the marvel itself is our new small computer, the IBM System/34. Or, as we like to call it, the visual system.

The heart of this new system is a central processing unit, measuring a loughably small 4ft high, by 2ft, by 5ft.

Yet within that diminutive framework, resides the power to feed up to 8 visual

display units. All of which can operate independently, allowing your staff to communicate with the computer, each on a different subject, at the same time.

These units are ridiculously simple to operate. So even people inexperienced in data processing can use them.

And their wide variety of display functions gives you a fuller and faster use of the computer's stored information.

Obviously, in this space, we can give you only the tiniest inkling of the multitude of further facilities provided by System/34.

Facilities such as high speed printers.

Communications options. A wide choice of storage capacities. Multi programming. Batch as well as interactive programs. And program swapping, a feature normally reserved for large computers.

And a mind-boggling starting price of only £24,500.

For full details of our new visual system, write to Lionel Beckett, 28 The Quadrant, Richmond, Surrey TW9 1DW. Or phone him on 01-940 9545.

We know you'll find the outcome nothing short of miraculous.

IBM
General Systems Division

The Property Market

BY QUENTIN GUIRDHAM

GRAPT near to break-even on trading

THE GRA Property Trust annual meeting, on Monday week, will be enlivened by opposition from a shareholders' association, of which John Briggs, a Huddersfield solicitor, is the leading light. Mr. Briggs, who will himself own 70,000 shares, is angry about the property asset's decline since the 1972 general election. He is demanding a dividend on the company's shares in the bull market to over £1.50 and is not convinced that the new Board, acting under the creditors' committee to administer the scheme of arrangement (the company was insolvent by September 1973) is acting in the shareholders' best interests.

The new GRAPT Board, and its advisers Barings, have taken the opposition seriously enough to produce a pamphlet in defence of their position. Theirs is a fairly powerful case, since the agreement negotiated with creditors was a particularly reasonable one if shareholders were ever to see any of their money back. The Inland Revenue was persuaded to delay its preferential claim to £800,000 (it will get the last £400,000 of this in July) and will wait with the unsecured creditors for far longer than in the E for the other £400,000 owed.

The ICI Pension Funds, now secured creditors for nearly £10.7m, have less surprisingly in view of the loans they were encouraging GRAPT to take up,

agreed to a lengthy realisation, interest. If the building was let, including other secured creditors, might be worth around £7m. The conversion, which has agreed terms to allow the building to be let as a White City, London, until 1981 in a manner which places no burden on the GRAPT cash flow. A leaseback of the stadium would, the Board of GRAPT say, have also involved it in a full repairing and insuring lease—immediately costly to the company since some repairs would be required now—rather than an agreement to keep the building in the present condition.

Mr. E. J. Anson, chairman and chief executive, maintains that the "time schedule" to eliminate the deficit in shareholders' funds remains about seven years. But with racing profit and investment income up to £1,470,000 in the year to last October, and interest for this year estimated at £1.55m, something close to break-even on the profit and loss account could be achieved this year (the racing is going well, and might benefit from more racing days and some revenue from non-race bookmakers as a result of representations to the Royal Commission on gambling).

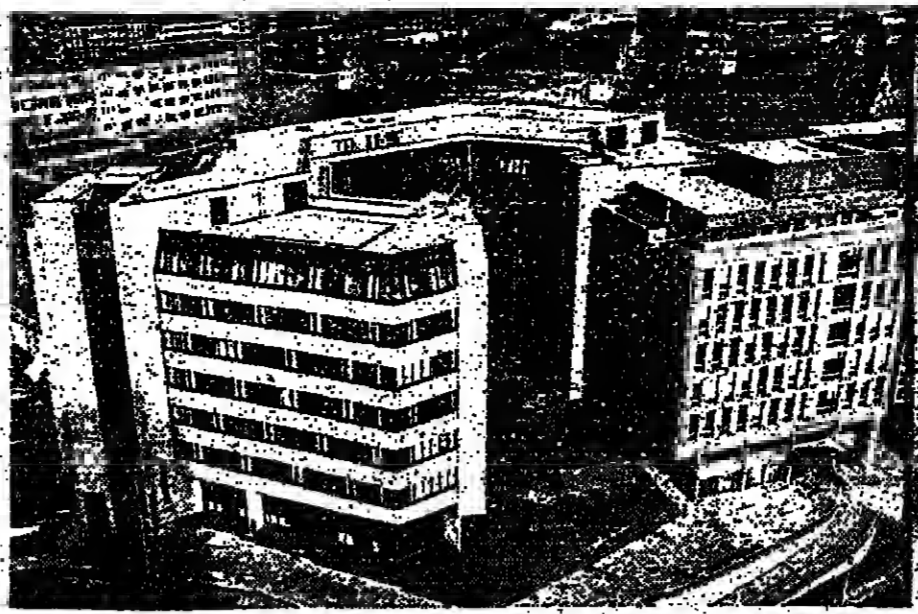
Where Mr. Briggs has a case is in discovering quite how a sound, old-established company, apparently well advised, could have gone quite so wrong so quickly when entering the property field. Unfortunately the same could be said in so many other cases that calls for further inquiries seem redundant. Meanwhile the most important completed property yet to be sold (apart from the old Harringay Arena, now in warehouse condition) is an office block at Bletchley, where GRA's leasehold

Savills rates growth in secondaries

Savills has produced a fairly bullish report on the commercial property investment market. The agents did the same thing last October and within a few days MLR had gone up another two points and made nonsense of it. But not nonsense for long, say Savills, recording that things are back much as they were before the interest rate crisis and producing this graph of yields, a generalised one, but few will argue with the trends shown. The yield gap has since March narrowed further, with MLR at 8 1/2 per cent, and Gonals yielding under 12 1/2 per cent.

So what is new? Savills argued last October that an active letting market would be necessary before institutions would look seriously at reversionary properties. It thought that provincial offices "in an area of potential short supply, modern industrial and warehouses and perhaps central London offices were the sectors which might see the first signs of a sustained revival."

It now reckons that the outlook for rents has improved enough for a more active market in reversions. The City, thinks Savills, is already showing enough rental strength to return to its traditional premium rating. The agents now appear a bit less enthusiastic about provincial offices (just how many areas of potential short supply are



Sun Life Assurance yesterday had its new building in Bristol (left) formally opened by the Lord Mayor and now has 650 of the eventual 900 staff working there. Sun Life Court, at St. James Barton, had a building cost of £4m, and the company has also acquired

three other buildings in Bristol as part of the relocation, two of them purpose-built as a training centre and a storage-printing works. The first staff moved in the autumn of 1973, and the last will not leave London until 1978. The society reckons the exercise will be

one of the most successful ever, in the sense that 60 per cent of the Bristol staff are ex-London employees who decided to make the move West. The Cheapside offices in the City (right) will remain the chief office, but with a staff down from around 1,000 to 100,

requiring only the seventh and eighth floors. That leaves another 100 sq. ft. below, now being refitted with completion next spring, to the few available 50,000-plus City units. Legal and General's London accounts for one of the 60

there?), reckon the West End ago. (Healey and Baker report opposite Centre Point, a pretty property market "is capable of rapid expansion in times of low interest rates and expansionary monetary policies," while equally liable "to contract to the point of being almost non-existent in times of restraint.") Rental growth at the top end of the secondary market "continues to defy some of the most sound and established principles of property investment." On this point, the Savills report may express a growing belief that with many secondary properties yielding almost as many points above Gils as prime properties yield below, definitions of first-class investments have perhaps become too rigid. But there does not seem much change in institutional suspicion of anything secondary.

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Offices	6.0	6.3	6.5	6.25	6.0	5.75
Central London	6.0	6.5	6.5	6.25	6.0	5.75
Provincial	8.0	8.5	8.5	8.25	8.0	7.75
Industrial/Warehouses	5.75	6.25	6.25	6.0	5.75	5.5
Shops	15.0	14.75	14.25	12.25	12.0	11.0
Minimum Lending Rate	15.7	15.3	14.4	13.4	13.5	12.7
2 1/2% Consols						

strengthening as well as the City secondary West End shops, following a cyclical pattern of the past, have quotes a 20 ft. frontage, 900 sq. ft. of ground floor retailing and another 2,000 sq. ft. of basement, and suitable for retailing.) A point Savills makes on shops may surprise those who argue that the high street is growing shorter and that really prime pitches are scarcer than ever. It maintains that, outside exceptional bases like Princes Street, Edinburgh, or Above Bar, Southampton, good secondary pitches are showing greater growth than prime shops, relative to the latter's base. In general, the agents make the point that the secondary

property market "is capable of rapid expansion in times of low interest rates and expansionary monetary policies," while equally liable "to contract to the point of being almost non-existent in times of restraint."

French Kier Property Investments has received its planning consent for a shopping centre in the main shopping thoroughfare of Canvey Island. The developer is a partnership between Kier and the council, while the six-acre freehold, with a 50,000-square-foot building and 77 shop units, is reckoned to start of this year. Edward Jones is arranging funding and agents say negotiations with the council are advanced. The council's position is not seen much change in institutional suspicion of anything secondary.

OUT AND ABOUT

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INDUSTRIAL AND BUSINESS PROPERTY

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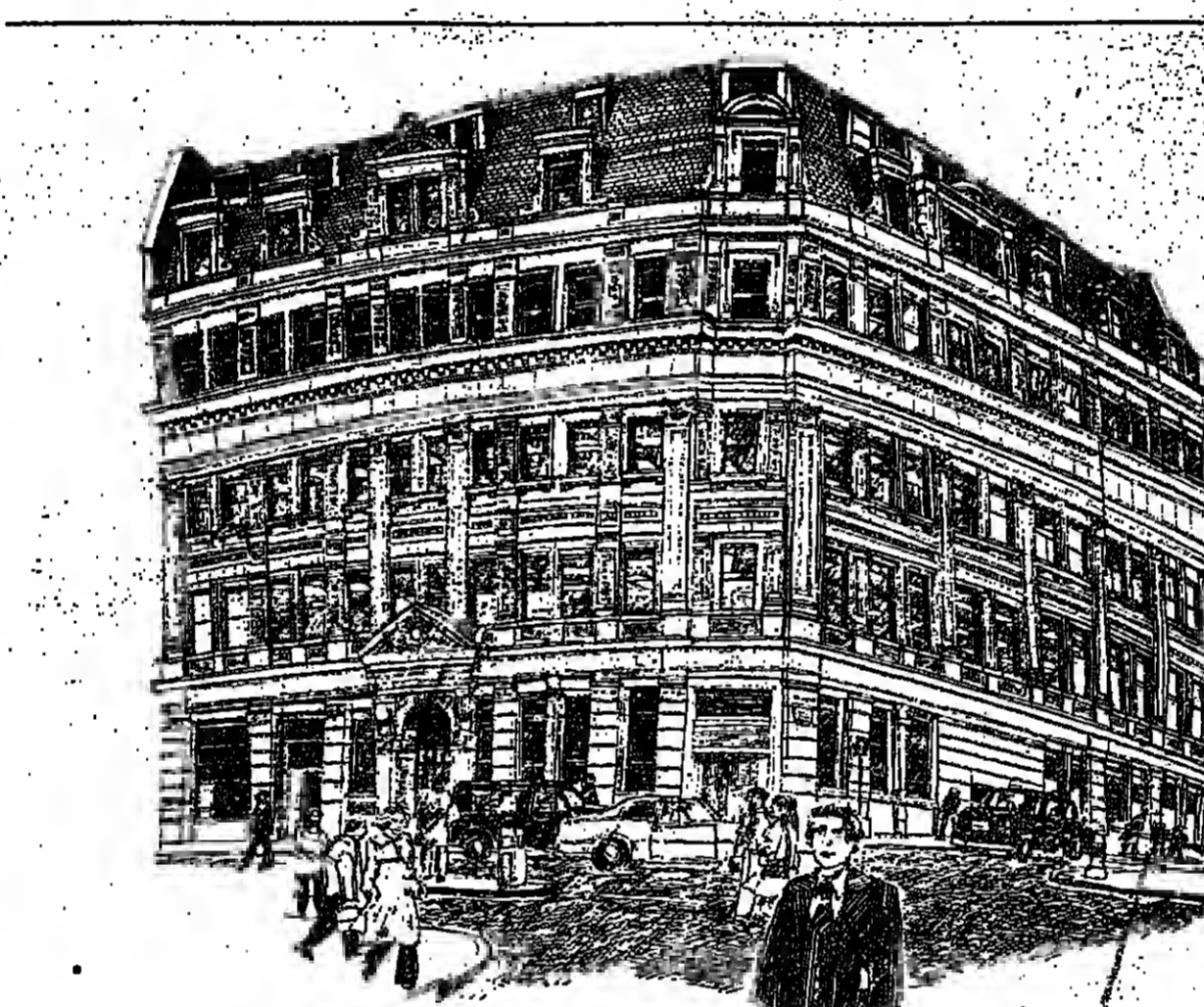
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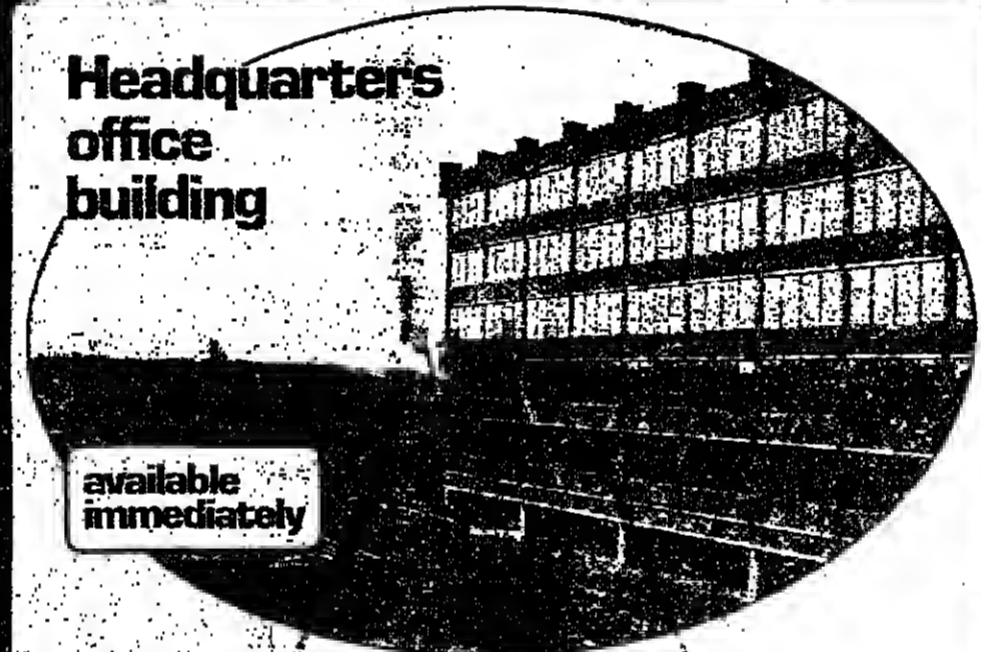
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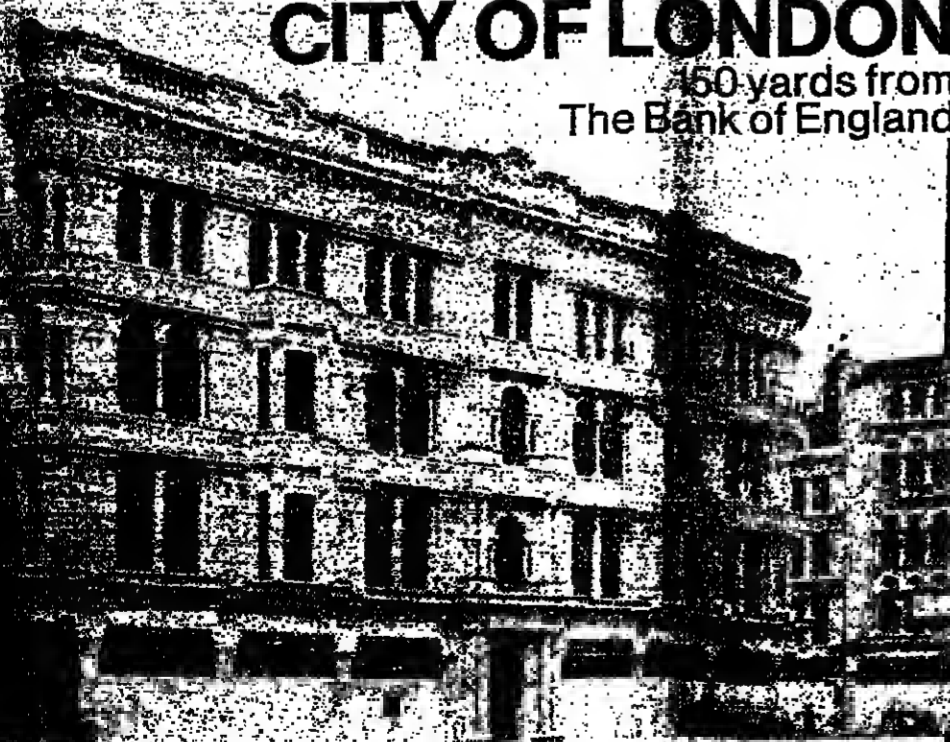
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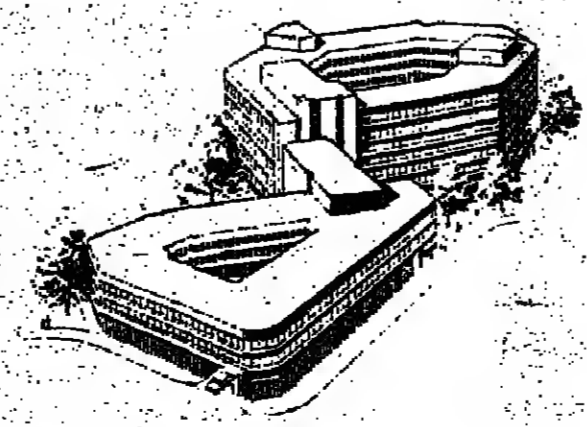
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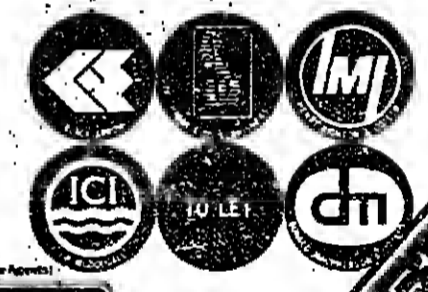
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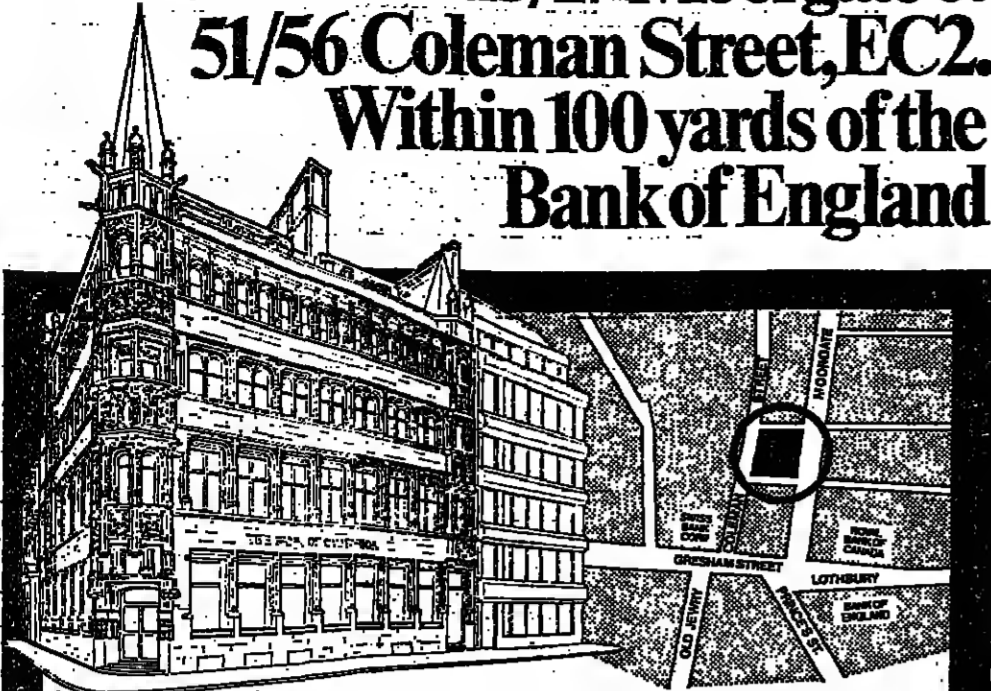


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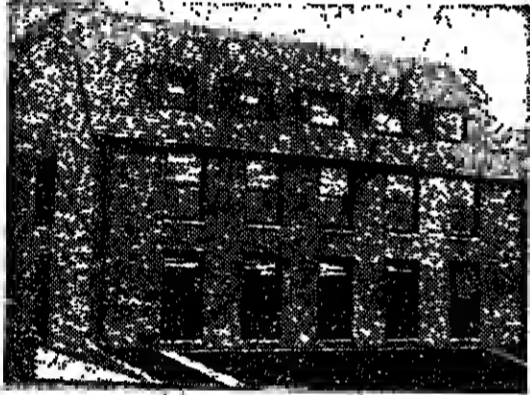
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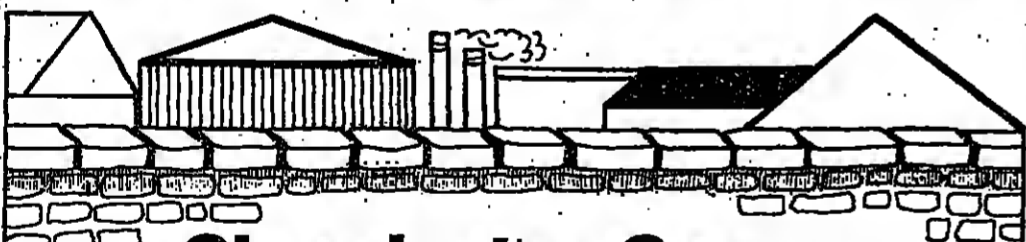
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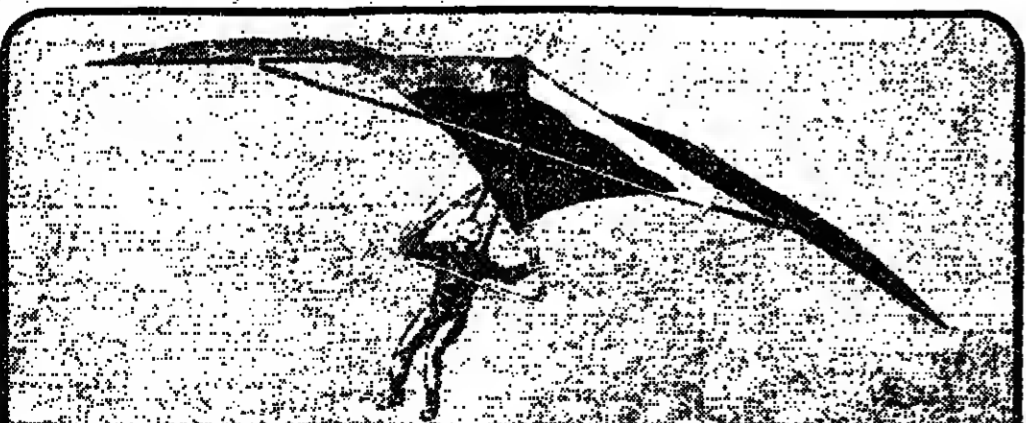
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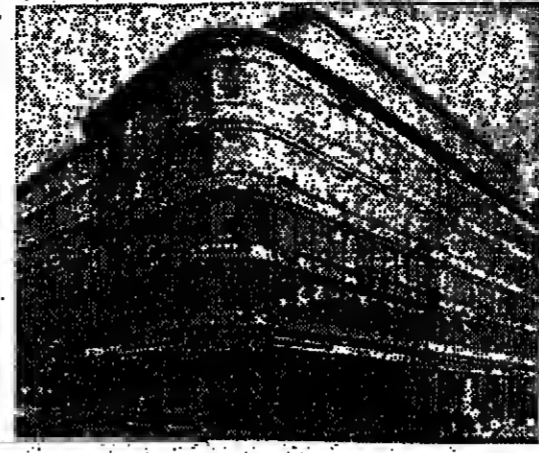
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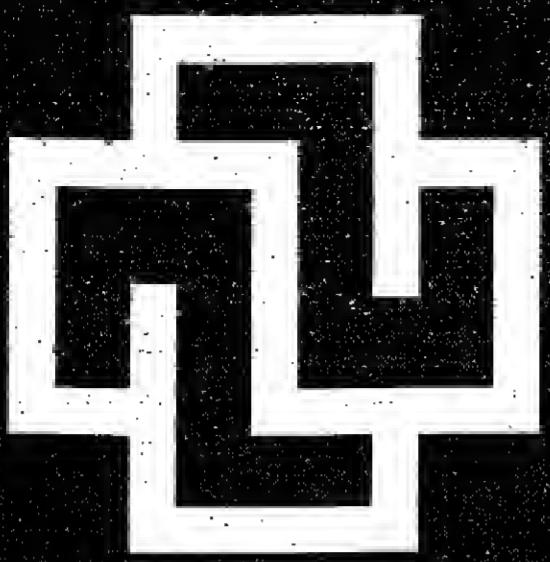
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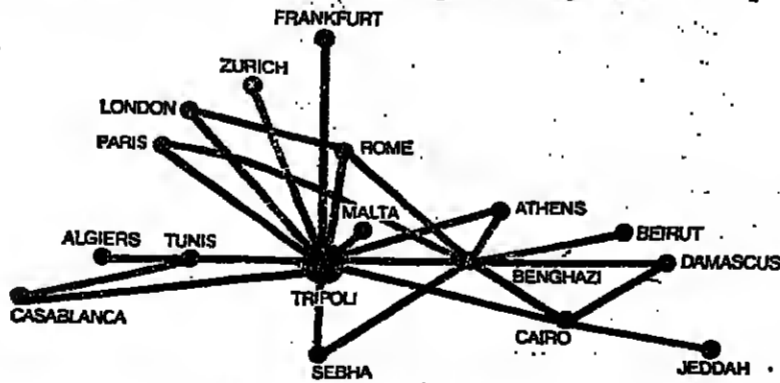
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Here is our expanded route map. Note the inclusion of Frankfurt - a new destination from May 2 with two flights a week, Frankfurt - Tripoli.



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LABOUR NEWS

Banking union seeks 16% rise

By Nick Garnett, Labour Staff

Leaders of the National Union of Bank Employees want at least 16 per cent wage rises for all bank staff under any Phase Three incomes policy. This will be the recommendation to go before the union's conference at Sheffield which starts this week-end.

They also want something done to help restore differentials, the exemption of cost of living allowances from pay restrictions and a body to monitor any new wage policy. Mr. Leif Mills, the union's general secretary, warned yesterday that if NUBE did not get the whole of this package it was unlikely that it would support any form of incomes policy.

Instead, the union would be putting in claims for large wage rises for managerial staff, ranging from £20 to £100 a week.

The 16 per cent figure, far above limits the Government is thinking of for the next phase of wage restraint, will be needed simply to keep pace with expected inflation over the next year, says NUBE.

The Electrical Power Engineers Union, another white-collar union that has already had its conference, says it will be looking for 11 to 14 per cent pay increases.

The hefty wage rises planned by the banking union if there is no incomes policy are designed to restore real income to the levels of two years ago. Mr. Mills said the union, which claims 112,000 members, also wanted "fairly strict" control of prices and profits to go hand in hand with wage restrictions and that bank profits should not be excluded from this.

One possibility, already advocated by NUBE, is an extension of the system whereby banks can make special deposits with the Bank of England but at low or zero interest.

A NUBE pamphlet, introduced yesterday, on the effects of incomes policy shows the severe impact it has had on differentials. Figures produced by the union show that while some junior staff have had increases of 35 per cent over the past two years, a manager of an average size branch has had a rise of less than 2 per cent.

TUC adopts low profile on industrial democracy

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

THE TUC has decided to lie low for the time being on industrial democracy, because of the Government's political difficulties in the House of Commons and the overriding problem of incomes policy.

Members of the TUC economic committee this week noted the areas in which the Bullock majority report on industrial democracy departed from Congress policy. But they decided at their meeting on Wednesday before the arrival of the Chancellor and other Ministers that Mr. Len Murray, TUC general secretary, should pursue discussions with Mr. Edmund Dell, Trade Secretary, whose responsibility industrial democracy is, early next month.

An internal document briefly considered by the committee on Wednesday and shortly to go out to unions for their comments sets out the basis for these discussions. It identifies three or four main areas in which Bullock has diverged from TUC submissions, but does not call for any dramatic initiatives in response.

The TUC is virtually the last interested party to reply to the Bullock report. It has been quite content to let the CBI and a host of professional and industrial organisations steal the

headlines with complaints that Bullock was a whitewash for the TUC demands.

On key points the document shows considerable willingness to accept the Bullock compromise. On the "triggering" procedure, it says that Bullock's suggestion of a ballot of all employees if employers resisted a union approach appeared to be in response to complaints that non-union members would be disfranchised. "The TUC has always maintained that this argument has very little basis." But the document adds: "The provision of a ballot does not seriously undermine the essential basis of trade union representation called for by the TUC."

Shareholders

Indeed, it might strengthen the position of unions in certain situations. Where Board representation did go forward, the unions would know they had the full backing of the workforce.

Bullock's suggestion of a third minority group of directors along with worker and shareholder directors—the "y" in the "2x + y" formula—is a considerable compromise from TUC policy, the document says.

But it adds: "It is politically highly unlikely that any form of equal representation would be

conceded without some deadlock-breaking mechanism. It can be argued that 'y' element solution is less drastic than other possible lock-breaking mechanisms as giving a casting vote shareholder chairman or being an independent member.

It notes too that Bullock's short of TUC policy on the powers of shareholder leaving certain major decisions, winding-up, capital structure and disposal, report raises the danger workers' confidence in representation could be undermined by appearing to for an ultimate bias in favour of the shareholder.

But the Bullock would still lead to a more significant diminution of powers than in other European countries.

The TUC document concerned that the common representation for Boards of foreign-owned companies should not be extended.

Ministers will be asked room there is for furthering union rights to direct and reconstruction rights under existing Labour largely untested in practice.

Railwaymen to strike over pay dispute

BY DAVID CHURCHILL, LABOUR STAFF

THE NATIONAL Union of Railwaymen yesterday decided to call an official strike early next month of about 6,000 London members employed by the National Freight Corporation in protest over a deadlocked pay dispute.

The strike, at the corporation's subsidiaries National Carriers and Freight Liners, is likely to severely disrupt road and rail distribution services. The union also said it was prepared to extend the strike call to all British Rail and London Transport members in the London area if the dispute continued.

Mr. Sidney Weighell, NUR general secretary, said last night that the executive had decided on the strike action on May 9 because of "frustration at the length of negotiations and the failure of the corporation to abide by an independent ruling on the London's King Cross and Moorgate railway stations were expected to be delayed to-day by an unofficial one-day strike by guards and shutters. The strike, which began last night, is in protest at disciplinary action against one worker by management. British Rail said last night both main line and local services would be affected until early to-morrow.

The union claims this has not been accepted by the companies involved, who are refusing to restore the London allowance. A separate appeal to Mr. William Rodgers, Transport Secretary, by the union has also failed to produce a settlement.

A National Carriers spokesman said last night that further talks are expected to be held with ACAS before the strike takes place to clarify the arbitration decision.

The union also decided yesterday to ask the TUC economic committee to rule on another pay dispute for several thousand workers employed by the British Transport Docks Board. The union claim the Board is failing to accept an already negotiated productivity-linked pay agreement.

Warders' action may close museum

BY OUR LABOUR STAFF

SECURITY MEN at the Victoria and Albert Museum yesterday threatened action if management ahead with plans to close museum on Mondays.

The museum says it operate the scheme from 25 as part of the Government cuts in Civil Service expenditure. The 200 warders at the museum are responsible for the security of the museum's collection. Mr. Robert Burgess, administration at the museum said yesterday that the system was already in place. "The cut in the number of warders meant the museum could no longer operate 6-day week."

It would have to close Monday to allow the museum to operate on a Saturday close-down. Saturday had twice as many visitors as Monday.

Mr. John Sibley, the deputy general secretary, said the union was opposed to upsetting the balance of the museum's day. At present the museum was open only for a half-Saturday, so that was a day for closure.

The union is not opposed to cuts in staff, which affected departments of the museum as well as the security and proposal to close sections of the museum on a daily routine to reduce the need for staff has already been rejected.

Merchant Navy fails to agree on package

BY OUR LABOUR CORRESPONDENT

SHIPOWNERS and unions representing Merchant Navy officers have again failed to reach agreement on a pay and conditions package.

The major stumbling-block is the maximum allowed under the present incomes policy, "which on board agreement applicable in U.K. or near continental" ports in which cash compensation is given to officers who, while not officially working, are forced to stay on board.

The General Council says it will extend the agreement world-wide when incomes policy allows but in the meantime the unions after that date. If necessary, want time off in lieu as compensation. Others problems include rest periods and medical severance payments.

fringe benefits are still causing difficulties in negotiations. Yesterday's meeting between the Merchant Navy Officers' Association and the Joint Officers and Shipmasters Panel decided that informal talks on fringe benefits between the two sides would continue through next month.

One major problem is the "cash on board" agreement which is not applicable in U.K. or near continental ports in which cash compensation is given to officers who, while not officially working, are forced to stay on board. The General Council says it will extend the agreement world-wide when incomes policy allows but in the meantime the unions after that date. If necessary, want time off in lieu as compensation. Others problems include rest periods and medical severance payments.

More prison staff may back Dartmoor protest

BY OUR LABOUR STAFF

OFFICERS AT a number of prison governor, yesterday that prisons in southern England are expected to meet soon to decide whether to support protest action by officers at Dartmoor.

Mr. Bryan Benwell, branch chairman of the Prison Officers' Association at Dartmoor, says that his men have already had verbal support from Bristol and Winchester in their bid to hand in their keys and leave the prison last night.

The 150 officers at Dartmoor have been taking action for 48 hours up to yesterday lunch-nearly two weeks in protest at their living conditions. They were forced to spend 48 hours, warned Mr. Colin Heald, the excluding meals, in their cells.

More prison staff may back Dartmoor protest

Long steel strike forecast

THE PORT Talbot steel works, recommend whether to take strike, which entered its fourth week yesterday, is to go on for a long time, according to Mr. Wym Bevan, the electricians' works convener.

The dispute between the 500 striking electricians and the British Steel Corporation over pay differentials may be stepped up to-day at a mass meeting near the steel plant where 6,700 workers have been laid off. The strike committee will

recommend whether to take action because British Steel is importing 70,000 tonnes of Continental steel to help offset the loss of Port Talbot production. The steel is being used at two triple works near Swansea which normally take Port Talbot steel to provide two-thirds of Britain's canning industry needs.

Mr. Bevan said yesterday that the strike committee would be considering about half-a-dozen options, including trying to halt the imported steel at source.

Engineers meet again

THE FIRST forum held by the Confederation of Building and Engineering Unions and the Engineering Education Foundation to discuss all of the engineering issues decided in London yesterday held at least two more meetings. These will be in London in July and Birmingham in November.

Staff bodies

THE COMMERCIAL Group Staff Association of four unions refused to join the Independent Certification Office. They are the Arts Council of Britain Staff Association, Cameron Staff Association, the Bernard Wardle Staff Association.

Labour man accuses SNP of cowardice

THE SCOTTISH Nationalists were yesterday accused of "political cowardice" by a Labour man. Mr. Allan Allison, Scottish organiser of Labour Party, said: "But throughout there is evidence that the Government even at local level. In Aberdeen, the SNP contest seven seats out of 14 out of 21, in Motherwell 14 out of 29, in Dunfermline 14 out of 30, and in Kirkcaldy 14 out of 30."

"Dunfermline, of course, is an example of how the SNP Nationalists run away from realities of Government. They are fighting no seats at all Allison said.

Handwritten note: 15/4/77

The Management Page

FACTORY AUTOMATION

How men can be replaced by robots and computers

BY SUE CAMERON

THE JAPANESE are planning a control of a number of machines by a computer. An initial draft plan of the computer automated factory that the Japanese intend to build was published as early as 1974. According to this plan...

Training and techniques

The advent of computer automated manufacturing is certain to have significant implications for managers and line operators. The full effects of automation on executives have not yet been properly assessed...

Japanese committee

The Japanese have set up a special committee whose main purpose is to examine the likely effect of computer automated manufacturing on the workforce. Among the members of the committee are representatives from a number of major Japanese companies.

managers. He says that the work being undertaken in Europe, Japan and America. It intends to consider the relevance of foreign research and development projects to U.K. needs over the coming decade. At the same time it is expected that the committee will draw up a draft, skeleton plan for the use of plant machinery and for small batch manufacture in Britain.

Plans for a computer-automated machine-tool factory that can be operated by only ten men are already well advanced in Japan. Now British industrialists are exploring the possibility of introducing fully-automated small batch production to the U.K.

companies represented on the committee—believes that computer automation is most unlikely to have a damaging effect on employment prospects. Mr. Thomas Kovacs, a senior engineer at BOC, says that although computer automation will reduce the number of people employed in factories, its introduction will coincide with the increasing movement of labour away from manufacturing and into service industries.

Mr. Kovacs adds that the new technology will make it possible to offer plant workers far better conditions because it will not be the machines that will run the factory. He looks forward to the day when the environment in many factories will be as pleasant as that of a Marks and Spencer store.

Double output per man

At present it appears that GEC Machines in Rugby is one of the few within the U.K. that is planning to install a full DNC system. Mr. Larry Wood, chief manufacturing development engineer at GEC Machines, says the company intends to introduce the system in stages over a five-year period.

Servicing machinery

In a fully computer automated factory all handling of parts is done by robots. It is this use of robots that brings such a dramatic reduction in the number of workers needed to man a plant. For as well as dealing with parts in production the robots can also service the machinery on the shop floor.

Engineers at Salford are also investigating group technology and cellular manufacture which are both necessary for full computer automation. Group technology involves the classification of parts into different technological "families".

It is understood that there are two other systems already working in British industry where a computer is in control of several numerical control machines—in one case four and

Warders' action may close museum

Staff bodies

RESEARCH PROJECTS

An 'open door' for industry

A SCHEME that will enable businessmen and trade unionists to put forward their own ideas for practical research projects in the management and industrial relations fields has been launched by the Social Science Research Council.

Mr. John Buckley, Chairman of Davy International Limited, said that the scheme will not cost applicants any money. The actual research can be financed from any source and the Social Science Research Council itself may consider the project and agree to bear part of the cost.

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Academics

The council points out that if it knew exactly what sort of research people in industry required there would be no need for the introduction of the scheme. So one of the main aims is to identify the real life problems which academics may have overlooked in the past.



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Let the foundry manager and the coal miner be better off than the chap who manages the bingo hall?

I doubt very much whether the USA and German banker and investor would put up with some of the management performances we suffer here?

THE STOCK EXCHANGE CHAIRMAN'S LECTURE No.7

24th March 1977



THE STOCK EXCHANGE

The Chairman's Lectures have established themselves as a means whereby world figures can make known their view on matters of current or long-term importance. On 24th March, Mr. John Buckley put forward his views on Productivity in British Industry.

If you would like the full text of Mr. Buckley's speech, please fill in the coupon and it will be returned to you free.

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FRIDAY, APRIL 15, 1977

A North Sea challenge for the U.K. chemical industry

BY RHYS DAVID

WITH North Sea oil now beginning to flow, chemical companies face the prospect of intensive Government persuasion and cajoling to increase their interest in the new oil as a source of chemical feedstock.

Advantages of Britain

As Mr. Asher sees it, there are three main advantages Britain now has which should commend it as a location for chemical investment—not only to leading British groups but to European and American concerns as well.

A possible incentive

However with the industry's investment schemes now coming forward the Government is unlikely to heed the GMWU's suggestion. Although direct moves by Government agencies into chemicals—in a bid to ensure that oil and gas are not simply used as fuel—obviously cannot be ruled out at some stage, the most advantageous approach is to persuade the big international groups to increase their UK stake.

Britain's membership of the EEC also means that refined products can be sold without tariff barriers across the Community where increasing pressures from environmental bodies have begun to pose problems for the chemical industry in its search for new sites.

A change in direction

PRESIDENT CARTER'S decision to drop his plan for income tax rebates represents a major change of mind. Only last week the President was adamant that the whole of his economic stimulus package, including the tax rebate, must go through.

Inflation

That he has changed his mind now is evidence of flexibility, though it may have been influenced by the hostility which the plan for the rebate had run into in the Senate.

Dr. Burns, among others, has argued that the economy is now recovering well enough without the need for further stimulus, and that inflation is the greater danger. Recent indicators tend to support this view.

Future

All this is to be welcomed. It means that the summit can concentrate on longer term issues such as the avoidance of protectionism, the transfer of resources involved in the North-South dialogue, energy supplies and nuclear proliferation.

A very slow rise in output

THE LATEST attempt by the Central Statistical Office to estimate what is happening to industrial production leaves the general picture in much the same vague state as before. On the one hand, the index of production in all industries fell back slightly in February.

But this rate of increase is exceptional: the economic forecast at the time of the Budget put the probable increase in gross domestic product between the first halves of 1977 and 1978 at 1.5 per cent, or 2.5 per cent, if more optimistic assumptions were made about our trade performance.

The banking figures for the month to mid-March, which were also published yesterday, are a monetary reflection of this situation. The Government's borrowing requirement was rather larger in this period, partly because there was some curbing of expenditure in the last month of the financial year, and the authorities were not ready to make a return to their longer selling gilt-edged stock on a large scale.

MEN AND MATTERS

Arrivederci, Eugenio

Perhaps the principal question mark over yesterday's announcement that Eugenio Cefis, the chairman of Montedison, Italy's largest chemical concern, is to resign, is whether it is destined to end in another commedia all'italiana or whether this time Cefis really means what he says.

He has after all threatened to resign from Montedison since before, back in March 1975, only to take it all back less than a month later after successfully getting himself installed as president of the control syndicate set up theoretically to control him.

At that time, however, his position was strengthened by an improvement in the troubled group's fortunes and a breakthrough to profitability after years of heavy losses. Since then Montedison's losses have mounted steadily while the group's accumulated debts have risen to the astronomical sum of £2,340m—nearly £2bn.

What provoked his resignation this time has been his inability to get Government permission to raise fertiliser, drug and other Government fixed prices, to cut back on surplus fibre capacity, or dispose of other assets, like Montedison's banking interests.

But a Cefis resignation is never as simple as it looks. As a devoted disciple of Von Clausewitz and other military strategists, the 55-year-old Cefis has left himself considerable space for manoeuvre by delaying his resignation for two months. He is expected to make



Probably one of the Fraud Squad!

It could well be that when the inevitable political in-fighting ends Cefis will be persuaded to remain at his post as the Christian Democrat Party's best guarantee of at least keeping their political rivals from the running of this highly strategic company.

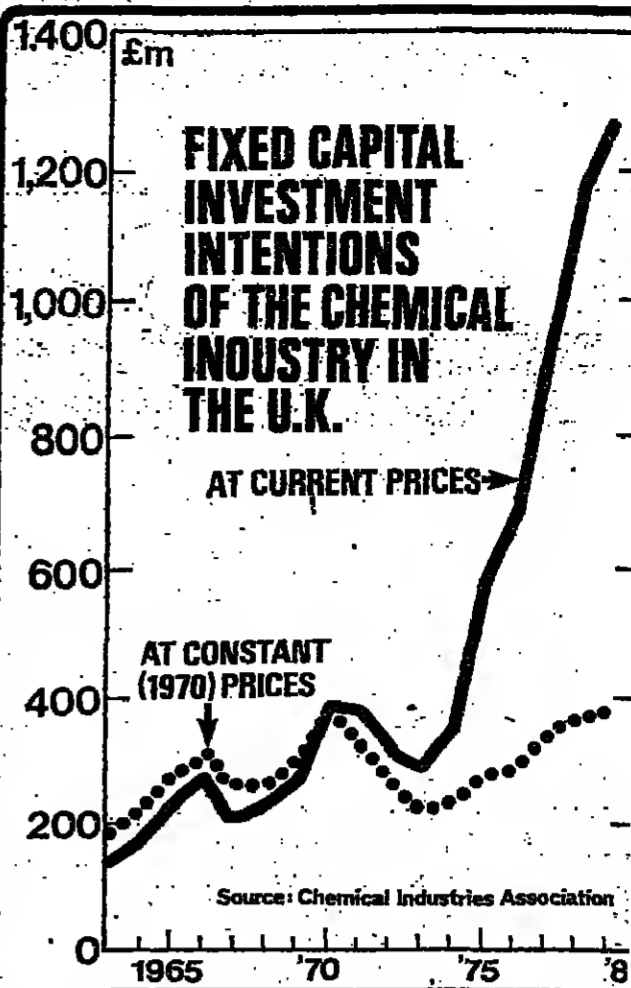
It can surely not have escaped their attention that Cefis, by remaining at the reins for two months and pushing through his management re-structure, has in fact nearly reversed the Communist and Socialist Parties' position. They have demanded a two month moratorium on Montedison policy issues so as to debate the whole question of the company's future in Parliament.

Save us

"There goes an important story" observed the man from the Morning Star wistfully. Hard to disagree: Jack Jones, leader of the Transport and General Workers Union, had been due yesterday to talk about Saving Public Transport, but it was announced at the last minute that he had been called away for urgent talks with Chancellor Denis Healey.

Those left behind struggled on heavily without that ubiquitous primus inter pares, helped by a statement from another absentee, Ray Buckton, the train drivers' leader, castigating routinely the Government's "lack of imagination" on transport issues, which is to say lack of support for the public end of the business.

The occasion was a Press conference in Jones's headquarters to announce the climax next Thursday (mass meetings, lobbying of Parliament) to the Save Our Services campaign, well as de ferro, a State corporation, as the Socialist and Communist want, is highly political.



Source: Chemical Industries Association

Britain's biggest chemical group, ICI, has sanctioned a £90m. fines intermediates plant, a 555m. fertiliser plant and a £15m. dye stuffs plant in Britain, and at Stanlow in Cheshire, BP and ICI are also thought to be considering a new joint venture at Grangemouth in Scotland.

Faster growth

Nevertheless, there are weaknesses in some parts of the industry, although it has grown faster than the economy as a whole. Britain's poor record for working party has been post-war has meant that the industry has failed to match investment could be encouraged to reduce dependence on other European countries, and ports and to expand its share of the world chemicals trade has been declining. As one of the first big ethylene, sulfolane, to look at plastics markets which 30 per cent of European British industry could develop.

OFFICE OPPORTUNITIES

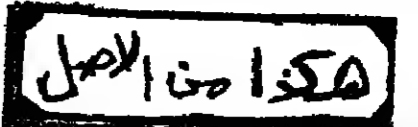
Table listing office opportunities with columns for location (e.g., Bournemouth, Christchurch, Southampton, Torquay, Carlton Gdns, Brentwood, Ilford, Ipswich, Bishopsgate E.C.2) and square feet (e.g., 27,000, 15,000, 4,500, 26,000, 8,000, 7,000, 18,000, 88,000, 4,500).

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FINANCIAL TIMES SURVEY

Friday April 15 1977



Vehicle Finance and Leasing

In the search for means to lighten the heavy burden of capital and operating costs nowadays involved in the ownership of vehicle fleets many companies are turning to the facilities offered by contract hire, rental or leasing. This survey discusses the options open and their relative merits.

OWNERSHIP OF A motor car (or cars) has become something of a dubious privilege. The operating costs associated with a fleet of motor cars, in particular, have risen to nightmare proportions—first because of the cost of borrowing money, and secondly because inflation, along with other factors, has chased up the price of new motor cars. The declining value of sterling in recent years has, of course, made the import of foreign vehicles an even more expensive exercise.

In the face of such heavy replacement costs, the average fleet manager has naturally been tempted to hold on to a fleet for that much longer—the penalty for which has been to fall foul of the widening gap between new and second-hand car prices, to suffer higher repair bills because of the increased incidence of mechanical failure and higher consumption of both petrol and oil. In other words, at best such a tactic has merely postponed the evil day and, at worst, the ultimate costs have ultimately been even higher.

Small wonder then that more and more companies are being won over to the idea of contract hire or vehicle leasing. Just where one starts and the other begins is a little uncertain since competition has developed the market to such an extent that the fleet operator is in a position to demand (and get) almost any permutation of services he requires.

The advantages of leasing, contract hire, or whatever combination the operator chooses, are plain to see. The most compelling argument in favour of any form of leasing, be it on motor cars or anything else, is that it releases funds that would otherwise be tied up in depreciating assets to be put to more profitable use elsewhere in the business. Leasing is not even necessarily cheap. But it does give the operator a fixed cost that he can project forward as the known price of running the fleet. Depreciation is written into the monthly payment, as can be servicing, repairs, etc. In other words, there are no intangibles.

The package may not be an attractive one for the traditional fleet or transport manager since a deal of this type goes a long way towards making him obsolete. But there are some very seductive arguments for the finance director whose problem is more vital in today's financial climate than he has ever been before.

And if the finance director likes it so far, there are even more wrinkles that he may appreciate. For example, the cost of a leased fleet does not appear in the balance sheet and payments may be set against revenue. Thus other lines of credit are left intact to be used on different, probably more profitable, items of capital expenditure. Then, there are the rather more complex and contentious—tax advantages, depending on the circumstances.

The debate over just whether passing on 100 per cent. allowances is legal or not is apparently causing tremendous friction in the industry. There is one camp that says it is illegal, whose members do not give away the capital allowances. There is the other—those incidentally, who are screaming off the business at the moment because their terms are more attractive—who claim that it is perfectly proper practice and who have taken legal advice from counsel to back their opinion. Either way, it does not seem unreasonable to ask the powers that be to clarify that particular problem.

The other, and equally sensitive area is the question of direct the contract is reckoned to be not leasing or contract hire, but hire purchase. Thus, if it is estimated that a motor car or vehicle costing £2,000 at the outset is going to be worth £1,000 two years and 40,000 miles later, but in fact fetches £1,200, the odd £200 must not be returned to the lessee—at least not directly.

Widening choice of facilities

By Keith Lewis

As is always the case with any rigid rules, there is a direct challenge to the inventive mind to find a way around. In this case the method is generally for the lessee to set up a subsidiary, either on his own or jointly with the lessor, to act as selling agent. Thus it can be said that the lessee is not receiving the benefit directly. Whether this

involved in the motor business itself and prides itself on the discounts it can obtain and residual values it is able to negotiate at the end of the day. It is not an advocate of passing on residual values or of "tax leasing."

Its fiercest competitor, Lombard North Central—a subsidiary of National Westminster Bank—is going full tilt into the vehicle leasing business from the opposite direction. In contrast to Dial, the operation is purely financial and its growth position has been achieved through financing the motor distributors up and down the country and through forging links with manufacturers.

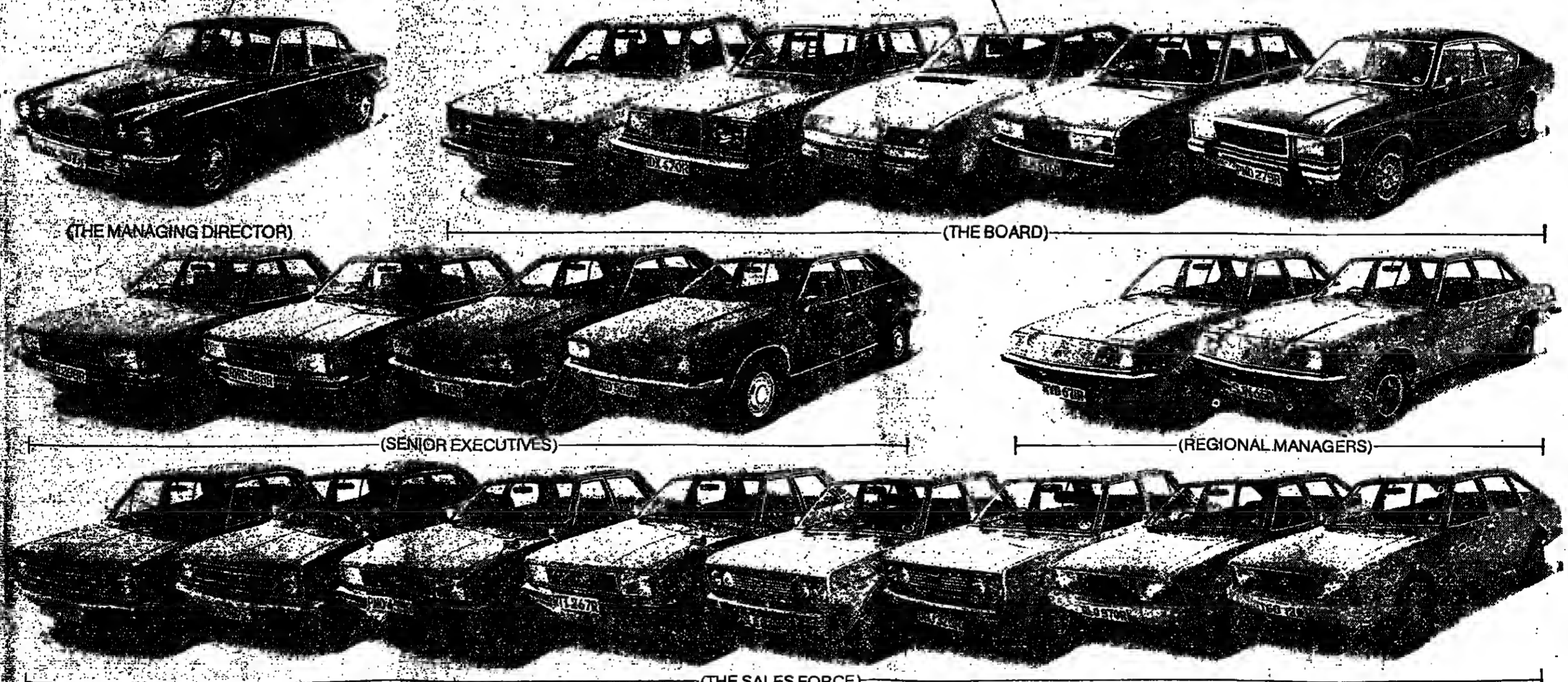
Among the motor manufacturers, Ford is probably the most aggressive, Leyland and Chrysler preferring to work through the dealer network and hand in hand with the finance companies.

Ford, through its subsidiary Ford Motor Credit, has a foot in all camps. It works through the dealerships throughout the country; some dealers use

Acquiring

The capital cost of acquiring the vehicles for the company can be set against taxable profits. So, if the company has £100,000 of taxable profit and buys a fleet worth £100,000 there is no corporation tax to pay. Since the advent of stock appreciation legislation, very

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Aiding the flow of exports

THE U.K. MOTOR companies, among them the country's largest exporters, are faced like the rest of manufacturing industry with an increasingly complex set of rules by which the world export game is played. They are also aware that their chances of winning are greatly assisted by knowing the rules backwards.

The major factors affecting the financing of exports in recent years have been the high and continuingly high rate of inflation in Britain, and the large fluctuations in the value of sterling. It is certainly true that the inflation rate has been damaging to exports and it is now felt in the motor industry among others that the policy of holding sterling at its present level will in the longer term have its effects on exports.

Varying

The major motor companies, due to their different structures, have varying approaches to the financing of exports and the vital matter of insuring against default or a number of other contingencies by foreign buyers. But in this letter respect there is great reliance on the services of the Export Credits Guarantee Department.

The need for competitive rates in supplying both finance and credit insurance is underlined by the size of the industry's exports, which amounted to a record £3.3bn. last year. The export surplus—the amount by which exports exceeded imports—was 7 per cent. higher than in 1975 at £1.6bn. Over the year car exports rose 31 per cent in value to £832m. and commercial vehicles were 28 per cent higher at £548m.

Exports from component and vehicle manufacturers of motor parts and accessories accounted for the highest share of the country's total motor export business. At £1.5bn. these products showed a 31 per cent growth over 1975 and accounted for 46 per cent of the industry's total exports. Cars accounted for 19.3 per cent of exports and the role of ECGD in doing so is commercial vehicles, 18.7 per cent. Other motor products and such as tractors, off road vehicles, industrial works trucks and tractors, and containers can only be as good as the con-

tract itself, and any failure in the contract through loopholes cannot be recovered. In the case of major contracts the insurance element is locked into the total bid figure, but it is felt that ECGD rates are fair and competitive with other countries, and that the Government subsidy element more than compensates on the premium.

In the case of Ford, the availability of a large number of sister companies through which exports are channelled provides greater use of ECGD, and more use is made of letters of credit which are arranged through its own finance companies in the U.K. But like the industry as a whole, it makes use of buyer credit facilities where possible and generally aims for immediate payment for products.

Performance bonds, sums of money which are sometimes required by foreign buyers as a guarantee of delivery dates and the quality of goods, are becoming more common in motor industry contracts now and a recent Far East tender has even included a provision for servicing of public transport vehicles over a long period. In these instances, commercial banks are often asked to assist, but problems arise for smaller companies due to the effect on the exporting company's borrowing

limits. It is hoped that in the near future there may be more involvement by the commercial insurance market in London.

The recent invitation by the Export Credits Guarantee Department for companies to tender in dollars rather than sterling for major contracts abroad will, in the opinion of some industry experts, create some difficulties for salesmen. In the recent past it has been an advantage to sell in sterling because the buyer has often rightly assumed that its value will fall against his own currency and repayment would be that much easier.

Expect

Now some buyers tend to expect a lower price if it is quoted in dollars, or any other hard currency for that matter. On the other hand, the fall in sterling's value has had some advantage where (as is widespread for the industry) prices of vehicles are quoted in the local currency. In those circumstances the company concerned has had the choice of retaining the additional margin or reducing prices.

However, for vehicles such as cars the local market place generally dictates the price level and the high rate of inflation in Britain has unfortu-

The vehicle producers

THE CRITERIA on which a buyer bases his choice of motor-car have changed. A car's looks still count for a great deal, as do its specification and performance. But those manufacturers who have maintained or improved their market position—and this particularly applies to the foreign motor-car manufacturer—have done so on the basis of availability of the hardware, the choices available, the accessories that are standard but, more importantly, on the warranty offered against mechanical failure and subsidised finance that frequently accompanies a sales drive. The recent campaign by Fiat on one of its models, offering 7 per cent finance and a 24-month warranty, would be a typical example.

Such considerations are as important for the fleet operator as for the private buyer—and fleet operators are big business for the motor manufacturers, accounting for well over half of all new cars. It follows, therefore, that the manufacturer would want to look after these valuable customers, either by direct support or by indirect support through the dealerships up and down the country.

Manufacturers have set about cultivating their customers in a variety of ways. But in terms of potential reward it adds up to the same thing—captive customers who, if they feel they have been treated fairly, will come back for more and who will represent an ongoing source of revenue through their inevitable consumption of spare parts. The corporate buyer will be looking for delivery, the ease with which spares can be obtained, low servicing costs and reliability because every day his salesman are off the road is costing money. His overriding objective is almost certain to be to keep the cars operational at the lowest possible cost. And if that follows, then, bearing in mind to-day's trends, he will be asking about leasing and contract hire.

Friendly

Some of the large distributors have the muscle to have created their own leasing or contract hire subsidiaries. Others have turned to the Ananca companies which in turn have forged friendly links with the manufacturers: Leyland and Chrysler fall into this category. Others, such as Ford and Vauxhall have gone into the finance business in their own right.

The Leyland policy has been to adopt a very conscious horses for courses approach; that is, to let the financing experts take care of the finance and those in the motor trade take care of their own area of expertise. Due account has also been given to the fact that some might see a full-blooded Leyland finance subsidiary as having been set up in direct competition with its own distributors.

As it is, the Leyland distributor is in the position of either being able to provide the facilities directly himself or through finance houses such as Lombard North Central (the National Westminster Bank subsidiary), Mercantile Credit (Barclays Bank's subsidiary), Forward Trust (for Midland) or Loyds

and Scottish. The dealer and customer are in the position where they can negotiate terms between themselves over the initial discount on purchase and the estimated residual value of the car at the end of the lease. If the dealer predicts the final value badly then the profit he makes out of the arrangement is reduced; if he forecasts well then he could do very well out of the second price that the car fetches. Either way, neither the finance house nor Leyland loses.

The Chrysler effort is through Chrysler Acceptances—a company owned with Mercantile Credit—which handles the fleet contract hire or leasing business. There is also the Chrysler Leasing System which was established in 1973.

Extensive

Ford, in contrast, is very heavily involved through its subsidiary Ford Motor Credit. It operates both through its very extensive dealerships throughout the country and it also operates in its own right direct to fleet operators. The dealer is in no way compelled to use Ford Motor Credit, though it is understood that probably at least half of the business does find its way in that direction. Ford Motor Company itself advertises the facilities on behalf of its distributors and also makes direct contacts through newspaper and trade advertisements. Contract hire is generally handled through the dealers whereas the finance leasing tends to be handled directly.

With the former, the fleet operator negotiates his deal with the distributor and Ford Motor Credit finances the transaction. The dealer takes the risk on whether he has got his sums right. In the finance lease, Ford quotes the terms to the fleet operator who, through the use of a subsidiary, has the residual value of the car. In this case, the fleet operator takes the risk as to whether he profits or loses on the disposal of the vehicle.

An increasingly popular arrangement is the net rate open-ended lease. With this deal, the customer negotiates the price of the vehicle with the distributor at which point

CONTINUED ON NEXT PAGE

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Operators' prospects

Leasing and its advantages

AFTER A difficult period, the major rental and contract hire companies operating in Britain are experiencing better business conditions, although inflationary effects such as rising vehicle and running costs have caused difficulties, particularly for the smaller operators.

There have also been some changes in the structure of leasing and rental companies, which are continually looking for the most favourable and growing conditions. These conditions also have marked effects on the company sector, which remains one of the most important through its decisions on the leasing of fleets.

In the U.S. some 60 per cent of company cars are on lease. In the U.K. the vast majority of companies still pay and manage their own fleets. However, the full administrative load is seldom taken into account by companies

when estimating the comparative costs between buying and leasing.

The major companies such as Avis, Godfrey Davis and Hertz each have their own views on how to put across to potential customers the advantages of leasing and rental (either to companies or individuals, and they similarly have long-term plans for each market sector.

This is exemplified by the recent deal in which Godfrey Davis agreed to take over Hertz's truck rental and leasing operations in Britain, a move which will create added competition for Avis's truck operations. The deal cost Godfrey Davis about £300,000 but the company has stated that it expects a pre-tax profit of around £100,000 from the acquisition by 1977-78. There are clear advantages in making use of existing facilities, creating lower overheads for the operation per vehicle in a larger fleet. The agreement will add an additional 325 trucks to the

200 which are already available for leasing.

Hertz believes that the U.K. is one of the strongest markets in Europe, and was described by Mr. Vincent A. Wasik, the recently appointed executive vice-president in charge of Hertz's world-wide car rental operation, as the keystone of the European operation. The hiring-off of the truck rental operation was described as part of a reorganisation in the U.K.

Rational

Hertz's strength has traditionally come from the business market in the U.K., with some 80 per cent of all car rentals made in this sector. It is more rational to concentrate its management resources into this growing area, which will doubtless be challenged by other operators aware of its potential.

While Hertz sees a large proportion of its growth in the British market coming at the expense of its competitors, Avis is also planning expansion, but apparently in a different area. The Hertz rationalisation is aimed largely at improving efficiency for the businessman, who is less concerned with price and trimmings than having the right vehicle at his disposal at the right time.

"Service is of paramount importance to the businessman," the company said. Hire rates were largely dictated by the cost of new cars, petrol (which raises rates despite the customer's input because of ferrying of cars to and from centres), insurance and a number of other factors.

In this respect the large international companies such as Avis, with considerable borrowing power to replace fleets regularly, are clearly at an advantage over their smaller competitors which may have to make for longer with existing vehicles. However, some companies clearly believe that in the rental and leasing of commercial vehicles, the small local operator is at an advantage by being close at hand and able to meet the sometimes difficult requirements of local users.

Dominated

Compared with the breakdown in 1974, Leyland increased its share by 5 per cent, while Chrysler dropped by 1 per cent and Ford by 3 per cent. Commercial and other vehicles were dominated by Ford with 42 per cent of the market share in 1975, although this was 3 per cent down on 1974. Leyland held 19 per cent, Vauxhall 16 per cent, and Chrysler 7 per cent.

Although these figures do not indicate the latest trends, they give a broad indication of the structure of the U.K. industry, which continues to offer industry a means of reducing capital outlay on transport fleets at a time when inflation continues to create liquidity problems.

However, the business rental market remains the most volatile and it is clear that in the coming year there will be increased competition, among the larger companies, which will perhaps improve the service as a whole, but is clearly a threat to the smaller operators.

OF THE three major fleet hire operators in this country only two have an interest in leasing. As near as can be judged, both Avis and Godfrey Davis run leasing operations of similar size in terms of the private car with the latter probably bigger in terms of commercial vehicles. In sharp contrast, Hertz has recently pulled out of the leasing business altogether; earlier this month it completed the sale of its commercial vehicle leasing activities to Godfrey Davis.

This move cannot have been unexpected in the leasing industry. Hertz has never shown extreme ambition in the leasing field. Leasing tends to suck in heavy amounts of cash, and in recent years Hertz has been up against a run of losses among its European hire activities. To what extent these losses together with growing competition in leasing in this country have dictated company policy is not known. But it is clear that the sale to Godfrey Davis marks the turning point in Hertz's total concentration in the U.K. on conventional fleet hire.

The company first came to the U.K. as a car hire operator in 1963, but its leasing activities were not formally launched until 1974 when Avis Car Leasing came into being. The company has something like 2,500 cars on lease at present while its interests in commercial vehicles extend to around 400 units. Partly because of the strength of its main competitor (Godfrey Davis) in the light van and truck market, Avis has tended to concentrate on the heavier end of the commercial vehicle field. It also leases agricultural equipment, notably tractors.

Endorses

Avis reckons that the leasing business in private cars has been growing very slowly in recent years, and if anything Godfrey Davis endorses this view. This sluggishness has pushed Godfrey Davis more and more into commercial vehicles. As with cars, its leasing service is comprehensive assuming responsibility for repairs and maintenance — both on and off the road.

In fact Godfrey Davis uses the term contract hire rather than leasing; in 1975-76 these activities contributed pre-tax profits of £387,000 compared to a peak of nearly £1.5m. three years earlier. But vehicle leasing is not simply a matter for maintenance agreements; most of the attractions are in fact financial rather than administrative.

At the top of the list, the major incentive for anyone contemplating leasing is that it does not involve capital outlay. Effectively, leasing is a longer-term rental process, hence the term contract hire. Leasing rentals can be charged direct to revenue.

At the same time, leasing offers the opportunity for off-balance sheet financing. If the potential customer is heavily geared — in effect, has already borrowed heavily against the assets in his business — leasing reduces the need for further debt. In addition there are tax advantages in terms of the timing of tax payments; and

the problem of eventual disposal of vehicles, often a considerable headache for the average company, is totally eliminated.

A further important facility is the access leasing companies have to 100 per cent first-year write-down allowance on passenger cars. This came into effect in the 1971 Finance Act but until recently the position remained obscure over passenger cars. Recent discussions between the British Vehicle Rental and Leasing Association and the Inland Revenue have resolved the difficulty. Leasing companies are now able to pass on the benefits of this first-year write-down allowance for passenger cars to much the same way that it applies to commercial vehicles.

The fleet operator who chooses to purchase his commercial vehicles is entitled to claim the first-year write-down allowance. But it is only by using a leasing company that the fleet operator can obtain this benefit with private cars. He cannot claim it direct; it will be part of his agreement — and these vary almost entirely from one contract to another — with the leasing company.

A restriction in this respect can be the form of absorption of available profits of the leasing company against which tax reliefs can be recovered. Some of the major companies in the industry have been going through a flat time in terms of return on capital employed in recent years (the example of Godfrey Davis' profits since the early 1970s is by no means an isolated example) and as a result most companies in the leasing industry have imposed restrictions on the amount of funds they are prepared to make available.

However, the cost of money has become less prohibitive following the decline of interest rates since the third quarter of 1976; over this period the Bank of England's Minimum Lending Rate has dropped by more than a third to 9½ per cent. And although the trend of industrial activity is still low, it may well be that in 1977 the leasing business will recover some of its former pulse.

Jeffrey Brown

Producers

CONTINUED FROM PREVIOUS PAGE

Ford Motor Credit pays the market for whatever he can get. Vauxhall's operations in this field are marketed under the names of Master Hire, which is designed to help fleet operators with anything from a Viva saloon car up to the heavy end of the Bedford Commercial vehicles — and Vauxhall Rental which caters for the private customer.

Others are in the market too. Renault, for example, which operates a very extensive leasing business in its home country is known to be looking very carefully at the U.K. And BMW, the prestige German car manufacturer, is also advertising leasing arrangements for executives.

The market is clearly an expanding one and it is certain that the manufacturers will be increasing their interest accordingly.

The new system would be based on corporate officers rather than franchise or licensee operations. There are now about 30 corporate offices serving around 80 outlets. New reservation centres have been established at Birmingham, Glasgow and Manchester. There have also been reopenings at Southampton and Prestwick.

The Avis strategy for growth is based also on tapping the business travel market, particularly through airports and major city centres such as railway stations, and it is clear that competition will be fierce in those areas. Similarly, Avis is aware of the attractions of efficiency. It is also believed that major European-based rental and leasing companies may be aiming at the British market.

Last year Avis, which now claims to be the largest car-hire organisation in the world, invested some £500,000 in a new

car-care system designed to ensure that every one of the estimated 7,000 cars in the company's British fleet remains in good condition. The main expenditure in the scheme was on a new fleet maintenance centre at Langley in Berkshire which employs about 60 people with the sole job of looking after cars. This is supplemented by 22 other workshops and two body repair plants around Britain. The centre is near Avis's Heathrow location.

"Service is of paramount importance to the businessman," the company said. Hire rates were largely dictated by the cost of new cars, petrol (which raises rates despite the customer's input because of ferrying of cars to and from centres), insurance and a number of other factors.

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part of the deal is that a third party (normally a subsidiary) agrees to guarantee Ford against loss and to buy back the car for a nominal sum of £1 at the end of the leasing period.

If the lease is set for four years and the customer terminates at the 24-month stage he is bound to pay the unexpired portion of the original loan, less the early settlement figure. In order to purchase the car, once that has gone through the customer, with the subsidiary acting as agent, can sell the car through the

market for whatever he can get. Vauxhall's operations in this field are marketed under the names of Master Hire, which is designed to help fleet operators with anything from a Viva saloon car up to the heavy end of the Bedford Commercial vehicles — and Vauxhall Rental which caters for the private customer.

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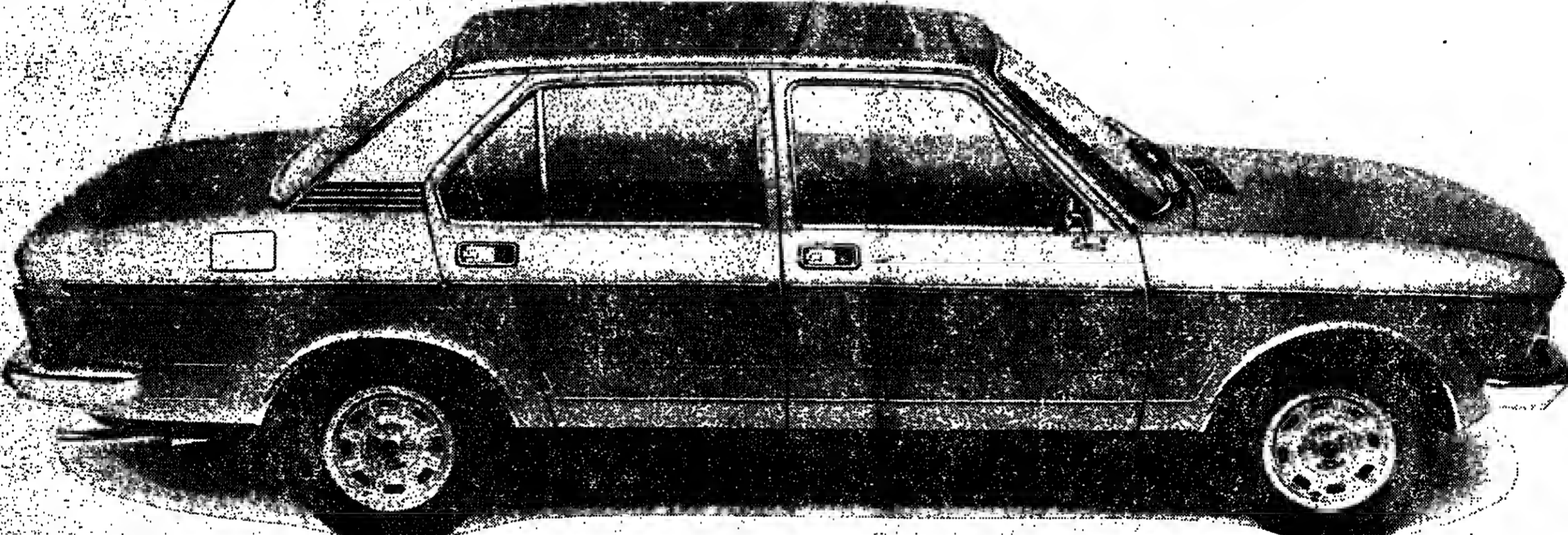
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VEHICLE FINANCE AND LEASING IV

Company car tax may change emphasis

IT IS NOT really surprising that the company car is one of the most popular perks in British industry. Nor is it surprising that a Labour Government should only 44 per cent. get this perk want to dilute the tax benefits for status reasons—the rest had to produce legislation to do so. The over 10,000 miles for business purposes each year.

It is this deep penetration of the corporate market that led Mr. Denis Healey, climbed down from his original hard-hitting stance on taxing these benefits in kind to executives and ameliorated the stringent conditions laid down in the 1976 Finance Act (which came into effect last week).

The position is still confused and it will take at least one complete fiscal year to allow assessment of the impact on company policies and executive tax rates. But it appears, on first impressions, that there are sufficient loopholes left clear to allow substantial ultimate benefit to car users.

It is a problem that affects most executives. A survey carried out last autumn by the British Institute of Management (BIM) showed that only 1 per cent. of its sample of 446 companies did not provide company cars. No less than 82 per cent. of board directors had company cars, while this benefit was enjoyed by half of middle manage-

ment, and a quarter of junior executives. Four out of every five salesmen drove a company car. And in the entire sample, it is this category that is the hardest hit and includes many executives.

The third category is the person who uses a company car preponderantly for business purposes. This will normally be the salesman with a large territory doing over 25,000 miles a year on business travel. He is also taxed on the scale used for the first category, but at half the rate. So in the example above, instead of paying tax on £225 a year, he will pay tax on £112.50 a year.

It is entirely up to the company to classify which employees fall into which of the three categories and obviously each company will arrive at a different fleet mix. One of the immediate effects therefore of this legislation has been to cause companies to examine their company fleet policies and in some cases their overall remuneration packages for employees.

It is already possible for companies to have found some solutions to help employees overcome some of the additional tax burdens. For instance, in one of the multi-national groups with head offices in London, employees who have company cars for status reasons, have been asked to make sure, at least 10 per cent. of their overall annual car mileage is for business purposes.

By adopting this stance, the capital allowances are basically the same as they were before and ostensibly no one is any worse off. Before the new legislation came into effect the group had made a separate arrangement with the Inland Revenue (a normal practice), whereby 10 per cent. of the capital value of the car was taxable but on the condition that no one claimed for

mileage allowances. In addition the company paid each employee under the scheme £12 a month for repair bills. The company also paid road tax and insurance (all of which were of course taxable) but not petrol or oil. Under the present arrangement my benefits have actually gone up," was the retort of one top executive.

Travel

But it will not be as simple as that for a host of other executives and more sophisticated manoeuvring may be required. One consultant, Mr. David Whitehead of Fleetlease, has calculated that for an employee that does between 12,000 and 15,000 miles a year on business travel, it may be cheaper to lease his own car and claim a mileage allowance from his company in advance. Naturally that allowance is taxable, but at least he can offset the leasing charge and other expenses actually incurred. This solution, though, is only available to employees who get a car as a condition of employment for travel purposes and not for the executive perk ride.

But even for executives who do not normally use their car for business purposes, it may be worthwhile considering buying their own car on money borrowed from the company on

an interest-free loan. The best for tax purposes under interest-free loan is normally greater than the assessment a free company car.

Changes in the Consumer Credit Act recently have made it more attractive for the companies to lease to individuals. Before the recent Statutory Order that came into effect on April 1, individuals were able under law to surrender the loan with suffering any penalty—a clause which made many companies willing to lend to individuals. Now, however, there has been change that removes this loans where the interest rate under 13 per cent. or an equivalent to 1 per cent. of Minimum Lending Rate.

All the recent tax changes credit alterations have not, however, removed the necessity companies to examine what they should buy or lease when building up their fleet. This question requires in-depth investigation. In most cases more efficient from a tax point of view to lease cars rather than purchase. This option removes the need for management to spend a lot of time in fleet management, the decisions are basically taken out of their hands.

Roy Levi

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Private buyers

AFTER HOUSE purchase, buying a motor car is probably the most important and most expensive exercise that a family undertakes. But having said this it is noticeable that there is a somewhat naive attitude on the part of the consumer when it comes to the actual raising of the cash for the purchase. Few buying a motor car actually shop around for the best and most favourable form of finance and more often than not they opt for the most readily available regardless of the eventual cost.

But this is the age of consumer protection and the Consumer Credit Act contains many proposals in the Crowther Committee report. The Act was designed to give consumers the greater protection when borrowing money while at the same time it also makes sure that they are given the facilities to make a proper judgment of just what schemes are available in the market.

Under the Act credit reference companies must be licensed and there are important developments on this for the consumer. From May of this year the consumers will be entitled to see just what the credit reference company has about them on their files. Equally the consumer has the right to point out any error of fact on the file and this would need to be corrected by the agency.

This is a very important step in consumer protection for the bulk of H.P. and credit finance companies use these registers for a reference service. It could be that the consumer is refused a loan on the results of one of these searches on the basis of incorrect facts and under the old system he would have remained in the dark.

Another useful step is that credit companies will have to disclose just what it costs to borrow. Under the truth in lending proposals, which could be enforced within a year, advertisements for credit and loans will have to show a real rate as well as a flat rate of interest. Of course many of the larger concerns already give these figures but it is very easy for the credit or HP companies to disguise just what the consumer is paying. Initial costs and other charges could be omitted and these of course would make the eventual payment more than disclosed.

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VEHICLE FINANCE AND LEASING V

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BENEFITS OF LOWER CASH FLOW FROM LEASING

Comparative Cash flow for	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	5th Quarter	6th Quarter	7th Quarter	8th Quarter	9th Quarter	Subsequent Period	Totals
Outright purchase	2,473	2,508	2,625	2,705	2,787	2,871	2,958	2,563	1,262	880	
Leasing	721	743	766	931	1,173	1,423	1,680	1,446	1,447	926	
Net difference	1,752	1,805	1,859	1,774	1,614	1,448	1,278	1,116	(85)	(46)	
Net return at 1% per month from investing net difference	26	27	28	27	24	22	19	17	(1)	(3)	136
Tax relief on net return								(56)		(41)	(97)
Net benefit											89

The table above shows how companies can utilise the "net difference" in cash flow for investing in their primary area of operation. The benefit from choosing to lease can be quantified by applying the difference between (a) the company's investment rate (in this example 14% per month), and (b) the company's borrowing cost (in this example 1% per month), and the "net difference" in cash flows. The net benefit of choosing leasing rather than outright purchase for a company requiring a net return of 1% per month (14%-1%) would be as above. Source: Lombard North Central material.

worth looking at. This is where the finance companies have scored heavily with their contract hire and leasing facilities. The advantages are that the huge capital sums now required to replace ageing fleets are no longer necessary, and that costs, particularly where maintenance is written into the contract, are constant and predictable. That of course does not mean to say that it is necessarily cheap—probably the opposite. But it does release cash for other uses: it does relieve management time spent on running a fleet with all the business of seeking finance, buying and selling cars and facing nasty repair bills; and it is tax efficient. Depending on where the company seeks advice, it is possible to pass the entire management of a fleet over to a specialist outsider and therefore also save on wages of petrol and oil, of service bills and replacement parts.

Comparison With hire purchase, a deposit has to be found and the capital sum plus interest is paid over the period. Leasing, at least in the pattern of payment, is not dissimilar but the lessee has to find the first 10 months payments. There need be no further payments until that period has elapsed and then payments resume for the period of the lease. A simple comparison shows that, in cash flow terms but disregarding any other considerations, the leasing proposition is the more attractive. Leasing has some other advantages. For a start, the capital cost of a leased fleet is an "off balance sheet" item and therefore a company switching from an owned fleet can expect its gearing ratios to improve significantly. The rental payments, meanwhile, may be set against the company's taxable profits.

Private

Continued from previous page. Without a doubt the HP agreement remains the most common form of finance in motor car purchases not because it is the most favourable but because it is more readily available and can be obtained with the minimum of fuss. Most of the motor distributors have their own HP companies or direct links with one of the majors. This enables them to make a fast sale and since the consumer naturally wants his new car as soon as possible he is quick to accept without really considering just what it is going to cost in the long run.

Plans The AA can offer two forms of credit, Plan "A" and Plan "B." Plan "A" is a continuous credit scheme for amounts of £200 and upwards. Here the interest is variable but would tend to be about 3 point better than if the consumer dealt with the finance company. The repayment period is from one to three years and the monthly repayments must cover the cost of the capital sum and interest to the period indicated. Once some of the capital has been repaid then further amounts can be borrowed and in most cases here the monthly repayments are not increased but just the period of repayment. When the capital sum has been repaid the borrower can continue to make monthly payments pending another purchase. Interest of course will be paid on the amount saved.

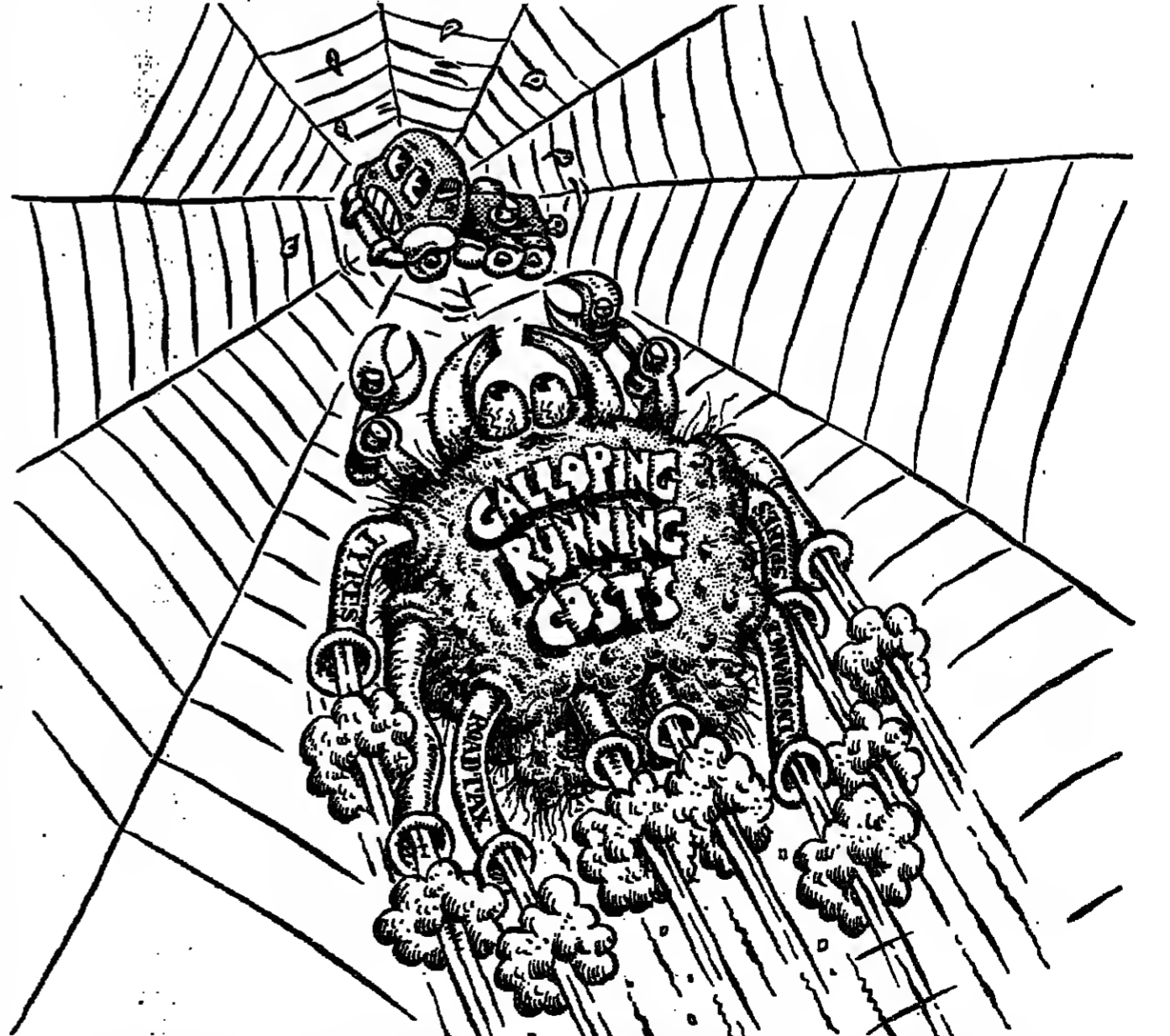
Occasionally there are special offers by the motor distributors but these are not as attractive as at first they may seem. For example, there could be an agreement with no interest charged but in this case the deposit would be higher, about 40 per cent, and anyway the offer would only be applicable to a select range of vehicles. Couple that with a poor trade-in value for your old car and the deal proves nothing more than a gimmick.

By far the best method of financing is through the bank but of course the stipulations are that more severe. If some form of security can be given, like shares or property, then an overdraft could be used and here the rate of interest would be about 4 to 5 per cent, over the base rate and this is charged on the outstanding balance only. At the moment the base rate is 9 1/2 per cent, so the actual figure is around 13 1/2 to 14 1/2 per cent, against nearer 80 per cent, for an HP agreement.

David Wright

Running costs strike hardest when it's standing still.

A stationary truck gathers more than dust! Think of running costs as the true cost of running a fleet and some scary things crawl to the surface. Now put those overheads against a truck that isn't earning its keep and the true horror emerges. A straight accountancy comparison may show short term that ownership is better than Contract Hire. But it doesn't begin to untangle the complex web of hidden costs that grows around transportation. Like the admin. and clerical time spent on licensing, insurance and keeping up with proliferating EEC and DTP regulations. Then this is followed by a rash of modifications to vehicle, procedures and paper work, that sets off another round of overheads. So load your problems on to Avis. Give Avis Trucks credit for knowing their business as thoroughly as you know yours. If Contract Hire didn't make sense we wouldn't be in the business.



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Credit Act recently
more attractive to
companies to lease
vehicles. Before the
statutory Order that
took effect on April 15
1977, the lessee was
able to order the car
under a hire purchase
agreement which made
many payments over
the life of the car.
Now, however, there
is a change that re-
quires the lessee to
pay 13 per cent of
the purchase price up-
front and the balance
in 12 monthly instal-
ments. On the other
hand, others who
are poorly managed
and very expensive
to run. The savings
can be made merely
by adopting a differ-
ent approach. The
cost of petrol and oil,
of service bills and
replacement parts
is the cost of money
(partly in the past),
and the various facili-
ties available are
almost endless. It is
possible to buy and
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with your favourite
local dealer and still
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VEHICLE FINANCE AND LEASING VI

Increasing business in the truck sector

THE BUSINESS of leasing trucks is currently believed to be on the edge of a major phase of expansion. Interest in leasing motor cars and light commercial vehicles has spilled over into the heavy vehicle sector, and manufacturers and finance companies alike are gearing themselves up for heavy business to come. A spokesman for Ford Motor Credit says that there is already a strong movement out of direct finance to lease finance. The powers that be at Lombard North Central acknowledge that, and add that they foresee the new commercial vehicle market going into a strong expansionary phase in about 12 months' time, with good sales movement apparent by the end of this year.

The first point to note in the truck leasing field is that it does not come under the Control of Hiring Order. This means that you can refund to the lessee a percentage of the proceeds of the sale of a vehicle at the end of the lease term. But let us start at the beginning.

Road transport operators over the past few years have suffered a heavy dent in operating profits, and simultaneously the cost of new vehicles has risen sharply. A 32-ton truck costs in the region of £20,000. A recent order for eight medium-sized trucks (five to 10 tons) involved a bill for £110,000. Transport companies in general are not paying corporate taxes sufficient to give them significant first-year depreciation allowances when ordering new equipment.

Lump all these points together, and you arrive at the reason for the growing interest in leasing over the past year or two, and the forecasts for strong leasing growth in the future. Operators will be wanting to conserve their capital, pay lease rentals out of cash flow, and make use of the first-year allowances of other companies. In other words, the allowances of the financing and leasing companies.

In contrast to the two- or three-year terms for light commercial vehicles and motor cars,



A convoy of Volvo heavy trucks crossing the French border on the last leg of a journey from Stockholm, Sweden, to Dijon, France.

heavy vehicles can carry lease financing terms varying from three to five years, depending on the truck size, and very large trucks sometimes warrant a seven-year leasing term, although five years is more usual. A fairly common peculiarity of large truck leasing is a series of low rentals during the lease term, designed to aid the operator's cash flow, with a balloon rental at the end of the primary term. This balloon can amount to anything between 20 per cent and 40 per cent of the original purchase value. This need not be a burden at the end of the term if there is a refund agreement with the truck dealer; rental rebates can amount to up to 90 per cent of the proceeds of the sale of the asset.

The finance companies will invariably leave the details of residuals and so on to the dealer and the customer, so long as their ownership is not infringed. Their main occupation is to amortise the asset during the lease term, which is related to the conservative life estimate of the vehicle. Because the leasing companies are able to benefit from the cash flow of

deferred tax credits, which enter their accounts after nine to 18 months, depending on their tax year and the normal tax lag, they can fund five-year leases with short-term money.

Cheaper

A tax-based lease permits the first year investment allowances to be passed on to the lessee in the form of cheaper rentals, but the lessee is never allowed to own the asset at the end of the term. He may enter into a secondary term at low rental rates, or benefit in some way from the rebate arrangements. There can be cash flow advantages in leasing over hire-purchase, but they are not as clear cut in the trucking sector as with motor cars.

What is certain is that the operator as the lessee knows exactly what his commitment will be during the term, and he will not be resorting to the unsatisfactory practice of fund raising with short-term money, that is using his overdraft facility with the bank.

The large truck business is a specialist business, and the finance houses are wary of the

leases to the pure finance discussed above.

It is possible to negotiate discount terms with a dealer where savings can be made on a large fleet. (A region of 1,000 trucks, for instance) and then put the bill in the hands of a finance company. Although a based lease is often considered inflexible, it is possible to write a finance lease with opt-out clauses on an arranged payment basis, say, the first two years, tax-based lease puts all into the hands of the hire operator with good rating, conventional terms and a clear-cut initial transport requirement the next three to five years, find lease rentals compare with medium-term finance. The smaller operator in of a truck or two will find going tough, but it will be persevering.

For dealers offering hire facilities, taking a view on the residual value of the fleet, while maintenance and service have been very profitable, second-hand price of trucks has been extremely satisfactory. The replacement cost, however, has also been heavy, and dealers themselves have the expansion of fleets for a lessee. The tendency therefore is to do business with large dealers, and to look for front-end advance rentals to reduce the risks steadily — a deposit of 10 per cent to 15 per cent is the norm, and there is an holiday period at the beginning of the term.

The motor manufacturers are beginning to educate their sales outlets and major dealers in the leasing facility for trucks, and the variety of deals available is legion, ranging from hire purchase through operating

Robert Hawley, Editor, Leasing

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The foreign invasion

THE OPPORTUNITIES for vehicle finance and leasing companies to expand in the U.K. as a result of the economic climate and the pressures that have been brought to bear on such items as cash flow and working capital have not escaped the attention of foreign competition. Already, two very substantial North American groups — Peterson Howell and Heather and Gelco — are operating in the U.K. and are threatening big competition for our own home-grown leasing and contract hire companies.

Freedom

The enlightened Americans are far more used to paying for, and appreciating, "services." Most vehicle leasing arrangements, therefore, are not sold purely on the basis of the financial advantages—though naturally these are potent arguments—but on the advantages of the service provided and the freedom that this gives to executives who might otherwise find their entire time taken up with the handling of a fleet of motor-cars or trucks. The emphasis is very much on management services. And this concept is now being imported into the U.K. Gelco, if not the largest, is certainly among the heavyweights in the business. Its operations stretch from the U.S. and Canada to Puerto Rico, Mexico, and now to the U.K.



Trailer salesmen are paid to take a somewhat blinkered view.

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Joyco 15/50

VEHICLE FINANCE AND LEASING VII

Strong links with finance houses



Vauxhall Rentals light van

Vehicle leasing is an intricate business and one that is peculiarly suited to the finance houses which in recent years have been leading with quiet determination to fact most of the companies pressures within the industry currently stem from this sector of the financial community. With their strong connections the finance houses have obvious "customer contact" advantages over those firms whose links with the motor trade are more conventional.

Most of the finance houses associated with leasing are based in the Midlands. Ford Trust is part of Midland White Lloyds and Scottish Finance, owned by Lloyds Bank. The leasing subsidiary of Mercantile Credit is in turn part of Barclay Bank. The National Western Leasing is controlled by the National Western Leasing, the company that claims to be the largest one-to-one passenger car leasing in the world. Britain's largest finance house, United Leasing, is a clearing bank parentage.

It does have some very strong insurance links through its major shareholders—the Prudential Assurance and Eagle Assurance. The leasing operations at National Western Central are based on its Wheellease concept. This offers the "all in" service to customers which is where its basic strength lies. Leasing has some clear-cut financial advantages, but it is the "take care of everything" approach that tends finally to win the customer over. The obvious comparison here is with television rental.

The starting point in any discussion of leasing is clearly a significant attraction to any potential customer who may already have high borrowings. The Wheellease maintenance has found this point especially significant to companies attaching importance to balance sheet ratios like returns on capital employed.

This in some ways leasing can be seen as a credit facility allowing fleet users to replace or acquire additional vehicles without an embarrassing interview with their bank manager. Interest rates may have fallen sharply in the past six months, but the cost of new money can still be prohibitive. It is clear then that leasing leads itself to a more accurate cash flow planning since its cost elements are fixed once the leasing contract has been drawn up. Borrowing rates can vary, and loan limits can be reduced or even withdrawn (with disastrous consequences). By comparison with outright purchase using a bank overdraft or similar facility, leasing provides a known fixed cost for the period of the lease.

Of course, the net cost of outright purchase of passenger cars or commercial vehicles is lower than leasing costs once adjusted for the residual (or second-hand) value. And as a result many potential leasing customers decide against leasing on this one point. But Wheellease claim that when compared to either hire purchase or outright purchase its system can provide a useful improvement in terms of company cash flow. They claim that it is possible to demonstrate that this cash flow advantage can be maintained right through successive vehicle replacement cycles.

Because of the "all in" aspect of leasing the customer is provided with modern pre-convertible vehicles at all times. A glance at a typical leasing maintenance agreement will show that these are generally prepared to cater for any special requirement of an individual user. Wheellease, for instance, provides a full mechanical repair and breakdown service plus a vehicle replacement service at 24 hours notice. In addition routine servicing of vehicles can be carried out and vehicles are both freshly delivered and collected. As for administration, membership of a long list of motoring organisations is offered together with insurance cover and road fund licensing. The upshot is that leasing can virtually eliminate the administrative time required for authorising, vetting and controlling the service and repair invoices of a vehicle fleet. In the case of the Wheellease service the dealership from which the vehicles are purchased assumes these responsibilities. This sort of comprehensive service is clearly of considerable importance to smaller companies where the operation of, say, no more than 25 vehicles would not, under normal conditions, profitably support a specialist department responsible for transport services.

At the end of the day there is the question of fleet disposal. For many fleet operators currently purchasing new vehicles, the disposal of their higher mileage cars or commercial vehicles can prove time consuming, tedious and unrewarding. The professional leasing executive will reflect residual values in his lease rentals and take on the responsibility for disposing of vehicles at the end of the lease period. In certain instances leasing can also be tax efficient. In many cases the tax benefits arising from leasing are achieved earlier than those arising from the application for capital allowances on the outright purchase of a vehicle. Leasing companies have the facility to 100 per cent first year write-down allowances on passenger cars. Leasing customers cannot claim this tax advantage directly, it is passed on to them through the cost of their leasing agreement.

Jeffrey Brown

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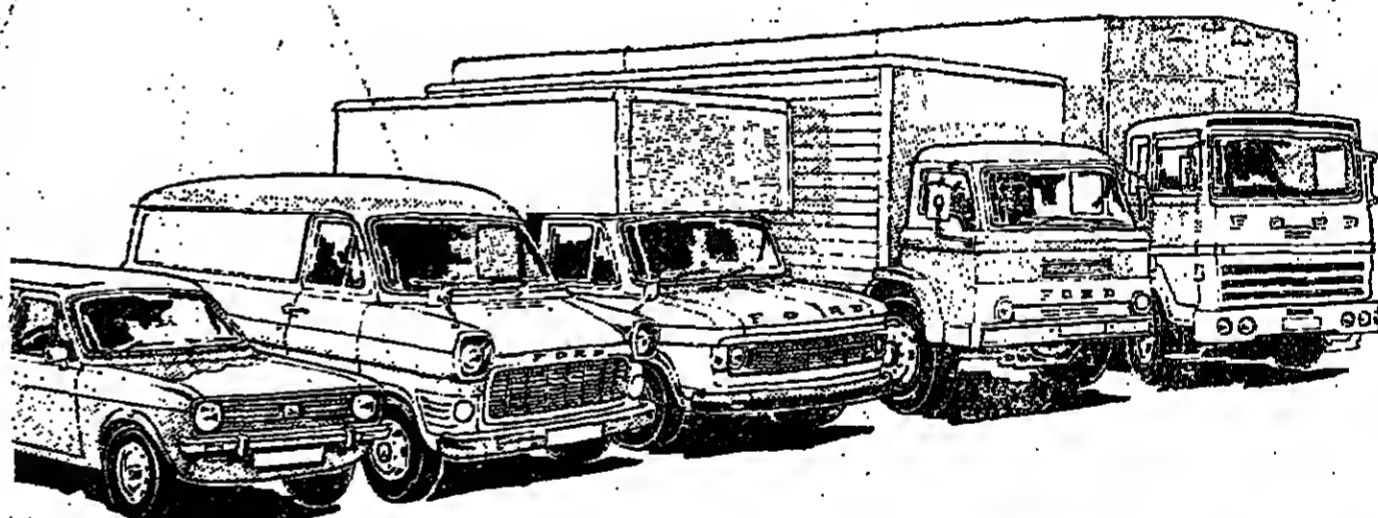
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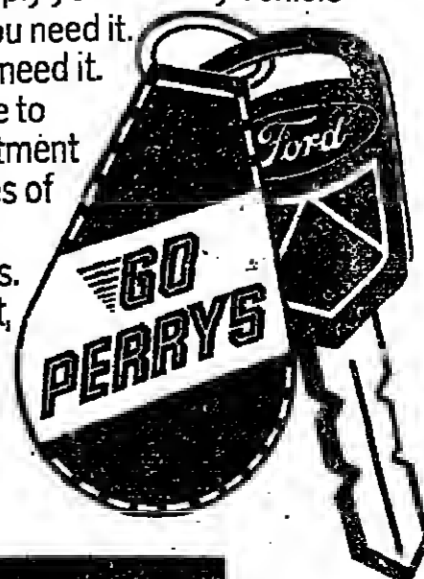


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CONTINUED FROM PREVIOUS PAGE

he has a large fleet, knows what he wants already — and Geico then buys the car. Rental payments are based on cost of the vehicle less the discount, the interest on the cash involve and a fee. Payments can be spread up to fifty months and there is no penalty for early termination — after twelve months. The residual value of the car goes to the client through the well-known third party route.

Maintenance is not written into the contract. Instead, customers can be billed for servicing on a monthly basis and the costs are monitored carefully to ensure that costs are kept to a minimum.

The PHH is broadly similar except that probably the involvement is even greater. For example, a complete appraisal of the client company's fleet operation is made and the flaws are shown up and rectified. Advice is given—and even a choice is given—of the cars that PHH considers suitable in the circumstances. Servicing costs are closely monitored and the whole cost of operating the fleet are shown to the client, car by car.

The actual cost of the finance lease is arrived at through a similar method; that is cost + fee + finance charges. One important variation is that the actual cost of money element in the equation varies throughout the term of the lease according to the fluctuations in interest rates. The rental terms remain fixed but at the end of the period the customer is reimbursed if interest rates have

fallen: if they have risen, he has to pay the balance.

Residual values of motor cars are also passed on to the client through the use of the third party which, in this case, is a subsidiary set up jointly by the client and PHH and through which all benefits are channelled. The company thus formed, then pays a "dividend" to its "shareholders."

PHH proclaims no particular loyalty with any one manufacturer, nor with any one financial institution or distributor. It operates instead through dealerships dotted around the country. As a company, it is quick to point out that it is not a financial operation but a management services company that has extensive knowledge of the motor industry. Like Geico, PHH has not always been able to pick up customers through subsidiaries of American companies which are looked after by PHH Incorporated.

It is perhaps interesting to note that both of these companies have chosen the U.K. to start what promises to be a push into the more lucrative markets in Europe, such as Germany. Possibly, the U.K. is especially ripe for these operations because of the financial problems which beset our corporate sector. But it also has a lot to do with the language and, more significantly, the relative sophistication of our financial markets. Either way, more competition in the U.K. can only be good for the customer.

K.L.

Friday April 15 1977
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VEHICLE FINANCE AND LEASING VIII

The distributors move in

LEASING OF motor vehicles is now big business and naturally it has become increasingly competitive with the motor distributors now a force in a field previously dominated by the finance houses. The bulk of the larger distributors have recently formed their own leasing subsidiaries which in the main have been linked to the credit companies of the manufacturers themselves.

The belated move by the distributors has undoubtedly been fuelled by the recent sharp upturn in inquiries for leasing or contract hire agreements. The staggering increase in the cost of new cars and commercial vehicles has hit the cash flows of the corporate sector at a time when it has become vital to preserve liquidity ratios. Leasing enables the companies to hold their cash flow while at the same time giving them some tax advantages and this in turn has led to a change in preference from the actual purchase to some form of hiring contract.

Moreover, leasing or contract hire appears to be a very sound business proposition for the distributors. It is said that the profits on contract hire are running ahead of what could be made by a retail sale of the same vehicle.

The motor distributors are now in a position to offer net rate leasing through their ability to make use of 100 per cent. write-down allowances on cars. A number of the finance houses have of late been encountering severe financial problems and as a direct result many have been unable to take advantage of this ruling.

In the past this allowance was only granted on commercial vehicles as a capital item while the allowance on passenger cars was an annual 25 per cent. This clarification followed a test case brought against the Inland Revenue by Godfrey Davis and Ford Motor Credit. As a result the Inland Revenue ruled that the section of the 1971 Finance Act that covered the accelerated first year writing down allowance extends to traders who are genuinely in business as public car hirers.

The bulk of this growth in

company cars would presumably have been lost to the retailer that had no leasing facilities. So forming a leasing allows the distributor to meet all the requirement of the customer.

BSG (formerly known as Bristol Street Motors) first started in the leasing and contract hire field back in 1960, but this was only really a department of the motor distributorship. At that time the company was supplying cars to fleet customers and they were approached by a couple of these to give a leasing service. Thereafter business started picking up and management was strengthened in 1964 when an autonomous leasing company was formed which was completely independent of the dealership. In 1975 this leasing company was renamed BSG Leasing as part of the overall group identity.

BSG Leasing offers two forms of hiring agreements, a closed-end leasing contract and contract hire. Under the closed-end contract the residual value of the vehicle is determined by BSG. On an open-end contract the residual value is mutually agreed; it is not legally possible in this case for the lessee to purchase the vehicle at a pre-determined value. In effect the closed-end contract is the same as contract hire without the maintenance.

Contract hire, which at the moment seems to be by far the most popular method with the fleet customers, is a means where a car can be leased for a period of one to three years at a fixed rate (under the

current control order ten months' rent must be paid in advance). Included in this rental would be such items as full maintenance, covering repairs, servicing, new tyres and Excise duty all of which can be incorporated in an inflation-proof contract.

Harold Perry (Ford main dealers) which entered the leasing field some six or seven years ago has like BSG experienced a more favourable trend in contract hire. Both Harold Perry and BSG have formed a financial link direct with the manufacturer which in each case is Ford Motor Credit.

Attractions

Apart from the obvious protection to market shares in new vehicles the successful move into the field of leasing has given other trading attractions. It gives a ready supply of used vehicles as the lease agreements are renewed. The market for good quality cars that have been well maintained is growing (the cost of the new car has been a force here) while profit margins are improving. Getting a ready-made and predictable supply of used cars allows the sales side to plan sales promotions in advance. Moreover, under a lease agreement the company is forced to change its vehicles on a regular basis whereas on a purchase or HP agreement he can delay the replacement of the vehicles.

Since contract appears to be more popular with the fleet companies then the service

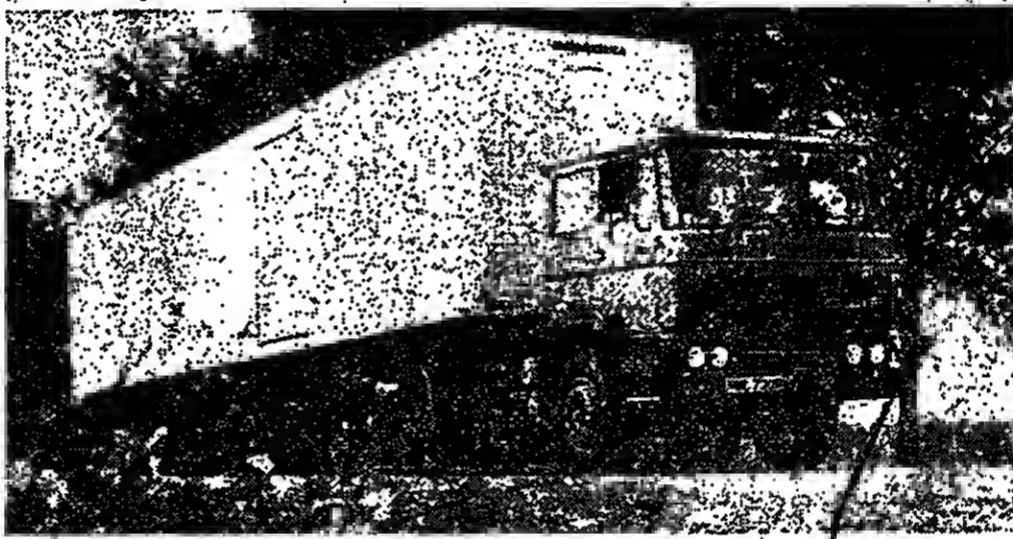
department would be experiencing a level of utilisation that may have not been seen if the sales side could not offer leasing facilities.

Given these advantages it is hardly surprising that the motor distributors have moved into the leasing field in a big way, leading to a more competitive climate in the sector. Indeed, the leading finance houses are now meeting this challenge and are gearing themselves up to provide a more comprehensive service to the motor trade, and to the companies that are still undecided as to the merits of car leasing.

One good example of this is the new Wheelbase package from Lombard North Central. This has been put together in a very comprehensive publication aimed mainly at the distributors. It is basically a leasing guide to explain the benefits of leasing to prospective customers. It lists, in very easy-to-read terms, the cash flow benefits as well as the various tax advantages that might arise while for the distributor it sets out to explain the advantages on his trading set-up by making use of Wheelbase, which it is claimed, gives a new perspective to sales negotiations.

Clearly the race for new business is botting up and the distributors are keen to maintain their market share. Surely this must be just the right sort of climate for those companies that did not already have leasing agreements to give the possibility serious consideration.

David Wright



Modern trailer outfits such as pictured above are equipped with cab sleeping facilities for the driver.

Trailer rentals buoyant

THE TRAILER rental business is buoyant and happy, compared to a year ago. Depots around the country are full, not with trailers standing idle, but with trailers undergoing maintenance. Leasing in the pure sense of the word is not as common among the trailer fraternity as it is with motor vehicles—or as it is becoming in the truck or traction unit fields. Contract hire and rental is more the name of the game, and seems likely, by and large, to stay that way.

Flexibility is the key word with trailers. They are there to meet the needs of a sudden contract unexpectedly landed, a run of bad luck in the repair needs of an owned fleet, or a scheduled bulge in business which is expected to last for a budgeted time. Trailers have lengthy lives, and there is plenty of time to amortise the cost—a ten-year write-off period is common, and there are still 30-year trailers about.

Images

The trans-European transport business accounts for much of the present euphoria, raising up images of "wagon trains to the East." A spokesman for Rentco Nationwide said that "Our business has been unbelievable in recent months. This year there have been no lapses in our schedules. We cannot get equipment fast enough to satisfy our customers." His remarks were not a flash in the pan. Says a spokesman for TTP (Transport International Pool): "We have had a quite astonishing increase in business, and there has been high utilisation of the fleet at our 14 depots. We do better as the balance of payments improves."

"It is more expensive to own than run a trailer," says TTP. "Private carriers tend to overlook the costs they have to absorb, the daily maintenance,

the MOT, the overheads. When an industrial company comes to us and asks advice on building up a trailer fleet, we tend to tell them to invest directly in their main business—warehousing for instance—but to rent the assets in which they have no exceptional expertise."

The cost of a 40-foot refrigerated trailer is in the region of £18,000, a large covered trailer about £9,000. They are clearly not the kind of assets bought in a careless moment. Contract hire and rental companies who bought trailers five years ago own good business from assets with high second-hand values—the cost of purchasing new trailers is correspondingly high, and financing is generally found on the conventional capital markets. High utilisation for short rental terms is obviously good for the cash flow, but longer-term rentals (over two years) are generally significantly cheaper, due to certainty of amortisation and the absence (generally) of maintenance support.

Large, prestige companies are now more willing to be counted as renters or lessees of vehicles and trailers, and much of the current business boom is put down to this. The now well-known story of low corporate tax levels of industrial companies and their inability to absorb depreciation allowances also plays its part.

Perhaps not all trailer rental companies and trailer manufacturers are as happy as the front-liners, but it does seem that the gloom of this time last year is fading, that the reduction in rented fleets is generally completed, and that increases are now being made.

There seems to be no reason why leasing should not become more popular than it is in the trailer industry, given a company which has a definite need for a definitive period, and which has a competent main-

ance division. The percentage of trailers rented compared to the total in use is probably still in single figures. If there is a tendency to turn to lease finance rather than mortgage finance in the truck sector, the spin-off may well fall into the trailer sector.

The trailer, after all, is a perfect leasing chattel. It has durability and long life, and second hand values are high. It is mobile, and if not too specialised, easily disposable. The cost figures are comparatively high, and trailer fleets could well appeal to lessors looking for bulk deals. The individual operator will always find a lease, rental or contract hire option to suit his book. The current market offers considerable flexibility.

Robert Hawkins

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Pakistan in the balance

BY DAVID HOUSEGO, ASIA CORRESPONDENT



Asghar Khan

Mr. Bhutto

PAKISTAN—Prime assembly—was little more than a confidence trick and a conspiracy of the right to Mr. Bhutto. As a result, the scale of the rigging and the number of constituencies affected have largely exceeded the popular imagination. It is not surprising that he has been elected in the last month's general election to be the most powerful man in the country.

Mr. Bhutto only weakened his position by denying that the administration was involved in rigging and by his defiant claims that the election was fair. The crumbled flow of truth was that India, with Pakistan constantly competing for the favour of the West, conducted free elections and that Mrs. Gandhi—other than his inferior in breadth of vision and state-craft—accepted his defeat.

For tactical reasons the NAP is content for the moment to make a long-standing ally of Mr. Bhutto. His enemies at the National Democratic Party (NADP) are the one public place where he would not enjoy the support of his constituents. The NAP is a well-intentioned secularist. For tactical reasons the NAP is content for the moment to make a long-standing ally of Mr. Bhutto. His enemies at the National Democratic Party (NADP) are the one public place where he would not enjoy the support of his constituents.

The PNA leadership is steadfastly against resignation, none more so than its leaders Asghar Khan and Begum Nusrat Khan. Their stance is based partly on the growing conviction that the PNA will win, and partly on their lack of trust in Mr. Bhutto's word. Even his own party officials quote a saying that those who shake hands with Mr. Bhutto risk losing a finger.

Legitimacy
The net result has been to rob Mr. Bhutto of that important intangible commodity, political legitimacy. No longer can he claim to be the popularly elected national leader. Even his supporters now distrust what they hear on radio or television or read in the daily newspapers.

'Rigged'
Mr. Bhutto has locked up the opposition because, he says, it is trying to force a change of Government by unconstitutional means while refusing his offer of a legal investigation into acts of fraud during the election. The PNA says that since the whole election was rigged, Mr. Bhutto's Government is itself unconstitutional.

The logical conclusion of this policy is a one-party state. It is also a one-party state increasingly dependent on the army as was shown by Mr. Bhutto's only means of hope are either that the opposition will run out of steam as people grow tired of disruption or that the moderates will draw back from the politics of street violence in the belief that negotiation with a civilian government under Mr. Bhutto is preferable to a return to martial law.

Government circles there are increasingly apprehensive talk about the loyalty of the PNA's perilous strategy is to force army intervention that will remove Mr. Bhutto from power. After that the PNA is counting on the unpopularity of martial law in the past and the pressure of democracy in neighbouring India to ensure that army rule remains brief.

Letters to the Editor

Monetary policy and trade

From The Chairman, Wharfedale Ryegr Assn.
Sir—Your issue of April 7 contained three references to the level of Sterling. There was first a report in a paper from the National Economic Development Council stipulating that exchange rates had only a limited impact on export competitiveness. In the same issue the opposite view was strongly upheld by Mr. John Alenby, joint managing director of Lancashire and Yorkshire Bank and British in his natural article appeared in plead both for Sterling to be allowed to depreciate and in possible contradiction, for an end to exchange control. As chairman of a company which sells 50 per cent of its output abroad, I would like to add my support to Mr. Alenby. I do not believe that any one with practical experience of running an export business can doubt that Mr. Alenby is right and the National Economic Development Council are wrong.

Green for go

From Mr. A. Scott.
Sir—We read endless speculation as to what the KLM captain of Tenerife may or may not have heard, but I think I should point out the fact that while people can whistle and shout as much as they like at a train to make it depart it will not do so until the driver gives the start signal. Why cannot this system be adopted for messages at the end of runways?
A. H. Scott
102, Brechin Road, Chelmsford, Essex.

Inter-union hostility

From The General Secretary, Shipbuilding and Allied Industries Management Association.
Sir—You reported (April 12) that the Confederation of Shipbuilding and Engineering Unions proposes to intensify its campaign against non-affiliated unions in the shipbuilding and aerospace industries. You also reported a statement by the Confederation's president in the effect that "invasion" of non-affiliated unions in the shipyards would not be tolerated.

Company law up to date

From Mr. B. Instone.
Sir—May I offer a few reflections on Mr. G. W. Gardner's letter (April 7) about Mr. Morgan's proposals for company law reform to Jersey?

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Road test reality

From Mr. A. Doncaster.
Sir—I do not really believe that the Consumers Association really wants Government MOT tests (April 7) unless it is to favour of a Parkinsonian increase in public employees. Perhaps the day is closer than I thought—the day when each private citizen can have a civil servant to hold his hand while the CA suggested inspection on his wheels is carried out.

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Electoral reform

From The Research Officer, Conservative Action for Electoral Reform.
Sir—Contrary to Mr. Layford's assumption (April 12), the Tory party has repeatedly made a serious commitment to hold a Speaker's Conference to consider the question of electoral reform, when it is next returned in power. This pledge was made to Jeremy Thorpe after the February 1974 election, and was renewed in the subsequent Conservative manifesto of October, 1974.

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Company law up to date

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Fixing rents

From Mr. R. Kitzinger.
Sir—The report "Rent Panels 'Blasé'" (April 13) points to a serious problem area. Not only are the surveyor and lawyer members of rent assessment committees likely to have vested interests in property values but even the third members who are supposed to represent "consumers" or "tenant" interests, is not disqualified by ownership of property or property shares.

Company law up to date

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Road test reality

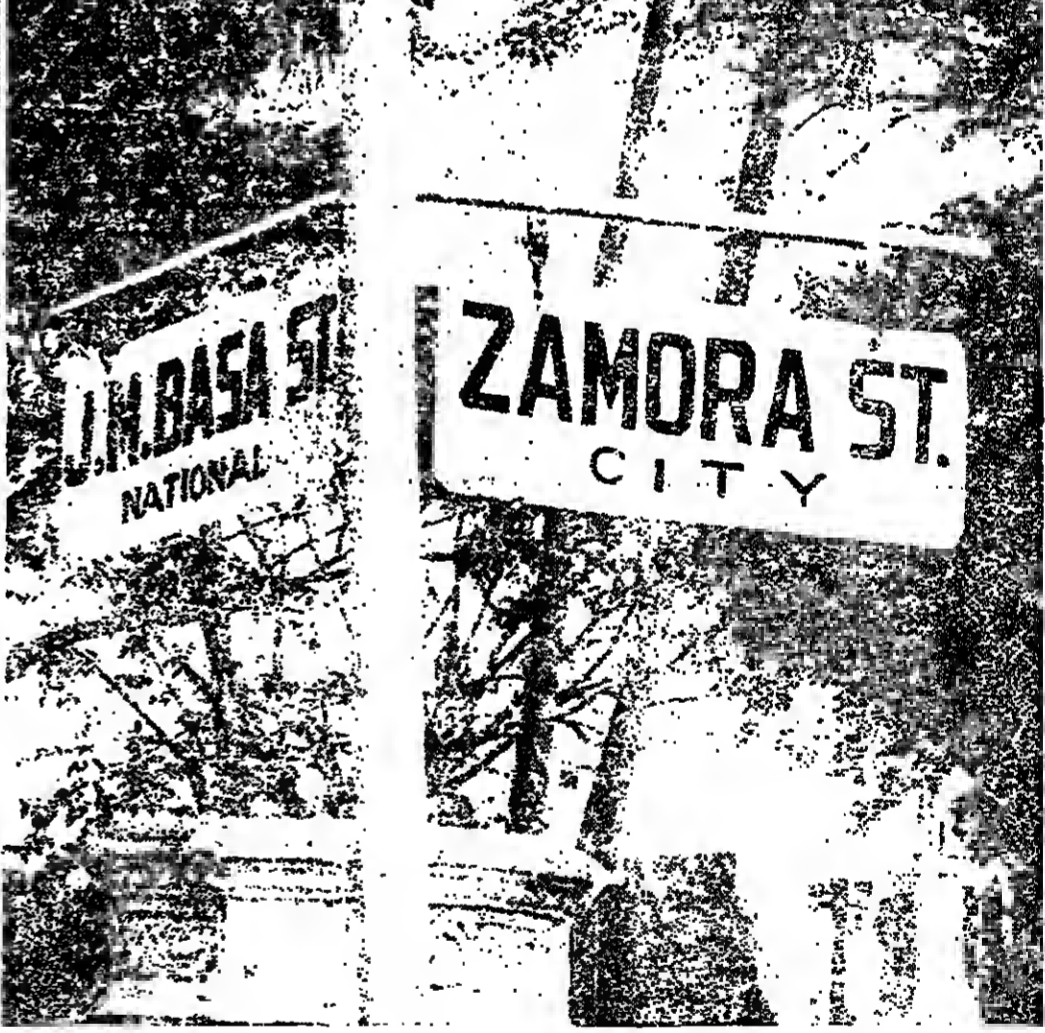
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To-day's Events

- Retail price index for March published by Department of Employment.
- Group of Ten Industrialized countries begin two-day preparatory discussions on proposed increase in resources available in International Monetary Fund.
- Building Societies Association Council considers possibility of reduction in mortgage rates.
- Figures of building society receipts and loans for March due for publication to-day.
- Dr. David Owen, Foreign Secretary, due in Rhodesia this evening for talks with Mr. Ian Smith.
- President Carter's anti-inflation plan announced, Washington.
- Mr. Gerald Kaufman, Minister of State, Industry, in U.S. for talks on possible aeronautical collaboration.
- Anglo-U.S. air agreement talks continue, Washington.
- Lord Gorman-Roberts, Minister of State, Foreign Office, ends two-day visit to East Germany.
- Electricians on strike from BSC's Port Talbot steelworks expected to meet tomorrow.
- OPEC meeting continues in Vienna aimed at finding new, unified accounting system with world's major oil companies.
- Nine men, including a Bank of England official, due to appear at Bow Street Court after remand on charges including forgery and fraud.
- COMPANY RESULTS
- Kwik Save Discount Group (half-year), Morgan Crucible (full year).
- COMPANY MEETINGS
- Kleeman Industries, 45, Kolthridge Place, S.W., 12.45.
- West Hampshire Water, Christchurch, Hants, 3.



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COMPANY NEWS + COMMENT

Smiths Inds. up 23% to £9.56m. at midterm

TURNOVER for the 26 weeks ended January 29, 1977, of Smiths Industries expanded by 25 per cent to £10.25m. and after lower interest charges of £405,000 compared with £744,000, pre-tax profits were 23 per cent higher at £9.56m. against £7.83m.

INDEX TO COMPANY HIGHLIGHTS table with columns: Company, Page Col., Company, Page Col.

remains a buoyant demand from institutions for prime fully leased developments, and further sales are being negotiated.

Setback at Myson in second half

INCLUDING capital profits of £232,199 compared with £673,496 profits of Myson Group dropped from £2.92m. to £1.90m. for 1976 after a marginal rise from £0.73m. to £0.75m. in the first half.

Overseas there has been a significant improvement in the profits of the subsidiary company in Australia, Singapore and in Scandinavia and Miller and Edwards in the U.K. were acquired near the end of the half year.

Peak £3.4m. at Benford Machinery

With turnover up from £12.45m. to £15.35m. including a 30 per cent increase in exports to £9.84m., pre-tax profits of Benford Concrete Machinery expanded from £2.93m. to a record £3.4m. in 1976 after £1.53m. against £0.95m. for the first half.

M. P. Kent first half decline

FOR THE six months to December 31, 1976, residential and commercial property developers M. P. Kent reports turnover down from £4.89m. to £4.03m. and pre-tax profits behind from £502,000 to £403,000.

Ruberoid 71% lift to £0.74m.

PRE-TAX profits of Ruberoid rose 71 per cent to £376,449 for the 53 weeks ended January 2, 1977, against a decrease of £430,736 for 1976, on turnover slightly increased from £24,586m. to £26,181m.

Table with 3 columns: 1976-77, 1975-76, Year

comment

Smiths Industries' interim pre-tax profits are 25 per cent above last year's £7.83m. contribution from last year's George MacLellan acquisition end £50.3m. drop in the interest charge clearly helped. However, sales of equipment to vehicle manufacturers continued to recover from the depressed levels of 1975 end profits were rose more than two and a half times.

comment

Export growth of 30 per cent enabled Benford to keep profits on the upturn last year despite a steep drop in demand from the U.K. construction industry.

comment

At the half-way stage, when a turnover from £31,000 loss to a profit of £281,000 was achieved, the directors forecast increased profits for the full year.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Corro. sponding div., Total for year, Total last year

£0.43m. rise at Assoc. Biscuit to £10.17m.

ON SALES 28 per cent ahead at £73.58m. pre-tax profit of the Associated Biscuit Manufacturers for 1976 was £0.43m. ahead at £10.17m. Mr. R. Carr, the chairman, says that a decline in U.K. profits was compensated by a similar increase overseas.

Lec £0.36m. growth to £1.77m.

AFTER AN INCREASE at half-time from £0.78m. to £0.92m., pre-tax profit of Lec Refrigeration for 1976 was £0.36m. ahead at £1.77m. Turnover advanced from £17.06m. to £22.2m.

comment

The drop of 30 per cent in U.K. trading profits at the end of the year was due to three factors: an extra m. costs in installing troublesome equipment, inadequate forward covering of cocoa purchases, and reduced sales in the first half.

ISSUE NEWS AND COMMENT

Lex raises £4 1/2 m. b 1-for-4 rights

Lex Service Group is proposing to raise £4 1/2 m. by way of a one-for-four rights issue at 42p per share. Lex also intends to increase its dividend by 10.67 per cent in the current year to 5.55p gross. The stability of the market to 88p indicating an ex-rights prospective yield of 10.3 per cent.

Bristol £5m. Pref. offer

The Bristol Waterworks Company is offering for sale by tender such an amount of 8p per Redeemable Preference Stock 1962 as will raise the minimum issue price is £100 per cent for a yield of 13.05 per cent.

Owen Owen improves in latter half

AFTER A first half loss of £200,000 compared with profits of £585,000, department store owners Owen Owen finished the 52 weeks to January 29, 1977 with pre-tax profits £629,000 lower at £2.2m.

comment

Lec Refrigeration raised its pre-tax profits only once in 1976, in March, so the 30 per cent increase in turnover is a fair indication of volume. During the period home sales of freezers were sluggish (though they picked-up in the second half, the year-as-a-whole showed stagnation) as Lee's gains came through increased market share - up from 14 per cent to 15 per cent. Exports also spurred ahead, by 63 per cent, and now account for 22 per cent of turnover, by particular sales to North and South America doubled and now provide 14 per cent of exports. Industry figures in the last quarter suggest a good trend for 'extraordinary' items, which showed stagnation. At 75p the higher interest reflects the PFI loan but some of that was taken

KINGDOM OF SWEDEN DM 250 000 000, - 6 1/2% Bearer Bonds of 1977/1984. Offering price: 100%.

RESULTS AND ACCOUNTS IN BRIEF. ANGLO AMERICAN CORPORATION - 36 weeks to March 31, 1977.

INDUSTRIAL AND MINING DEVELOPMENT BANK OF IRAN Floating Rate Notes due 1984.

Rent reviews? It's a question of reading between the lines. Richard Ellis Chartered Surveyors.

Trade Indemnity

Points from Mr. K. M. Bevin's
Statement to Shareholders

Results and Dividend

The Accounts for the year ended 31st December 1976 show that the 1974 Underwriting Account, which was closed on that date, produced an underwriting profit of £1,325,557, which in view of the economic difficulties which persisted throughout much of its three-year term is very satisfactory. After adding investment income of £772,170 and charging tax of £1,046,000, the net profit carried down is £1,051,727. A final dividend of 4.70930p per share is recommended which, with the interim dividend, is the maximum for the year permitted by Government legislation.

Underwriting Accounts

Premiums written on the 1975 Account continued to run well ahead of 1974 Account at the same stage, whilst premiums written on the 1976 Account in its first year showed an increase on 1975 Account. Claims remained at a relatively high level on both the 1975 and 1976 Accounts.

In 1976 premiums written on all Accounts were £14,791,665 (1975 - £12,949,647) to which Australia contributed £1,414,146.

General

As in previous years, economic developments at home and abroad were fully reflected in our own experience. The general stagnation in business activity led to a fall in the volume of turnover insured under many of our policies. This was, however, more than offset by higher prices, particularly in those trades having a large import content. Overall, the value of transactions insured by the Company in London and Melbourne increased by 18 per cent to £7,687 million.

As expected, business failures in 1976 continued at a high level and altogether we were involved in 2,349 failures compared with 2,328 in 1975. On the debt collection side of our activities, with corporate liquidity

remaining high the number of cases involved fell from 8,552 to 6,896. Nevertheless, because the individual amounts rose, the total notified, at approximately £6 million, was about the same as last year.

The present state of corporate liquidity is closely linked to the depressed level of business activity over the last two years, and in particular to the fact that stocks have been kept at exceptionally low levels. For many companies, any economic revival must bring sharply into focus the question of their ability to finance it, especially at current low levels of profitability. Any upturn in the economy will bring pressures on company liquidity as stocks and other items have to be replenished. It is perhaps not surprising that some of the more spectacular business failures in the past have occurred during the early stages of economic recovery. There is clear evidence of this to be found in our own experience, notably in 1971 and in more recent events in Europe.

Conclusion

It seems likely that claims and collections will remain at high levels in 1977. At the same time, with the rising cost of commodities and raw materials working its way through the economic system, higher output prices are likely to boost our insured turnover and hence premium income, with increased production giving an additional fillip later in the year. I therefore anticipate that our U.K. business in 1977 will make a greater contribution to our overall income than it did in 1976 and that earnings from Australia and inwards reinsurance will continue to grow.



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Amalgamated Metal Corporation Limited

Extracts from the Directors' Report for the Year ended 31st December 1976

Overall the results of the Group for the year were satisfactory in spite of the fact that the upswing in industrial activity which at this time last year we foresaw occurring in the second half of 1976 failed to materialise.

Our physical trading division operates on a world wide basis and covers a wide spectrum of metals and minerals notably aluminium, copper and tin. Business in industrial minerals is being expanded and we are constantly on the look out for opportunities to further our trading activities by assisting with the development or expansion of production facilities.

The Directors recommend payment on 31st May 1977 of a final ordinary dividend of 9.157p per share making a total for the year of 14.157p. This is

a 10% increase on the dividends paid in respect of 1975, the maximum increase permissible at this time.

Financial Highlights	1976	1975
£000	£000	£000
Profit before extraordinary items	3,243	2,447
Par ordinary share	49.8p	37.2p
Extraordinary items	3,107	1,268
Net profit	6,350	3,815
Par ordinary share	89.2p	58.9p
Ordinary shareholders' funds at book value	26,744	21,397
Par ordinary share	426p	340p
Shareholders' funds employed including investment appreciation	36,807	29,679

The Annual General Meeting will be held on Tuesday, May 24th at 10.00 a.m. at Winchester House, Old Broad Street, London EC2.

Copies of the Report and Accounts may be obtained on request from the Secretary, Amalgamated Metal Corporation Limited, 2 Metal Exchange Buildings, Leadenhall Avenue, London EC3V 1LD.

Lift dividend restraint says Shell chairman

BY RAY DAFTER, ENERGY CORRESPONDENT

DIVIDEND RESTRAINT has been lifted, says Mr. Pocock, chairman of the Royal Dutch/Shell group, says today that he wants to see the money distributed as soon as possible.

Mr. Pocock says in his annual report. He regretted that dividend restraint prevented the group passing on the full benefits of improved company performance to shareholders.

The group's net income, divisible 80:40 between Royal Dutch and Shell Transport was £1.37bn last year compared with £1.35bn in 1975 (as reported on March 11). The rate of return on average net assets improved from 17.4 per cent in 1975 to 21.1 per cent.

The final dividend for 1976 was 6.778p per 25p share, giving a total for the year of 14.060p. The company said that while restraint continues, the dividends earmarked for the 400,000 "Shell" Transport shareholders were being used as part of the group's central fund, earning a commercial rate of interest.

Mr. Pocock is also critical of governments for not doing more to encourage energy savings. "It needs to be more widely recognised that even the slower growth now envisaged could cause demand for both oil and gas to outstrip availability in the foreseeable future. The effect of the severe winter just experienced in the U.S. is a warning to all."

Shell wanted to see more rational pricing policies, more sensible building regulations and incentives for developing new or alternative energy supplies. "The report points out that by 1980 the Shell/Esso partnership will have spent more than £4.5bn on exploration and development in the British sector of the North Sea."

In the non-energy sectors, Shell chemical companies are firmly set on expansion programmes, building particularly on the existing strengths in basic petrochemicals, polymers and indus-

trial and agricultural chemicals, Mr. Pocock says. In 1976, investment in chemicals manufacturing was the second largest element of capital expenditure, after oil and gas production. Capital expenditure totalled £1.58bn in 1976, and further increases are foreseen, says the chairman.

A group audit committee was set up during the year by the directors and the supervisory board of Royal Dutch Petroleum Company, with each body appointing three members. The committee acts in an advisory capacity to the two boards, and its functions are to review group financial reports, the auditors' reports, and internal controls; and to make recommendations on accounting policies.

On a current purchasing power basis, net divisible income of the group was £770m, against £1.3bn on a historical cost basis, at a Meeting, Shell Centre, SE, May 12 at 11.30 a.m.

See Lex

Advance by Supra to £0.43m.

MANUFACTURERS and distributors of motor components, noise control products and Supra Group, expanded turnover from £3.62m to £4.2m in the year to November 30, 1976, and profits advanced from £338,397 to £432,313 after £165,555, against £155,525, for the first half.

Full-year stated earnings rose from 2.24p to 2.79p and the dividend total is effectively raised from 0.7627p to the maximum permitted 0.8385p net per 10p share with a final of 0.326p. A one-for-one scrip issue is also proposed.

Profits were struck after depreciation of £72,309 (£68,893). Tax takes £223,290 (£170,847) while an extraordinary credit adds £14,262 (nil).

Group turnover and profit for the first four months of the current year are substantially ahead of last year and it is

ICI sales improving

BY KEVIN DONE, CHEMICALS CORRESPONDENT

IN THE first quarter of the current year, Imperial Chemical Industries' sales had shown a slight improvement compared with the last three months of 1976. Sir Rowland Wright, the chairman said yesterday.

He told the company's 50th annual general meeting that signs of further recovery in the world economy were expected during the year, particularly in the U.S. But growth of activity in the U.K. appeared likely to lag behind that of its main competitors.

There were reasonable prospects that ICI's sales volume overseas, and to a lesser extent in the U.K., would move up in the second half of the year. But the company's success, and that of many of its major domestic customers, rested primarily on the export market.

The maintenance of this export drive depends again on a successful next phase of control policy, leading to a reduction in inflation," said Sir Rowland.

ICI's group profit increased last year by nearly 70 per cent, to £540m, on external sales of £4.1bn. Despite the fact that U.K. industrial output rose by only 1 per cent last year, its U.K. chemical output rose by some 14 per cent, keeping the company well up with the average output for chemicals achieved in the OECD overall.

In the coming year ICI expects to sanction projects costing more than £700m—the largest capital programme in the company's history—and that half of this will be for investment in the U.K.

General & Commercial

On gross revenue ahead from £479,211 to £574,100, revenue before tax of General and Commercial Investment Trust for the year ended February 28, 1977, rose from £407,997 to £465,903. Earnings per 25p share are

shown to be up from 4.14p to 5.14p, and the net final dividend of 3.1p lifts the total from 3.86p to 4.36p.

Net asset value at the year end was 147.8p compared with 149.5p on February 28, 1976.

Mr. Bibby says that 1976 was thus notable not only for the increase in profit (up from £2.11m to £4.18m, as reported on March 18) but also for important decisions which will yield further profit in the future. In spite of the adverse economic climate, the Board's confidence in the company's ability to grow and prosper is now more firmly based than ever, he declares.

Tiger Oats and National Milling Company holds 30 per cent of the equity. Meeting Liverpool on May 12 at 3 p.m.

Statement Page 29

Decrease at Bourne & Hollingsworth

Pre-tax profit for departmental store Bourne & Hollingsworth fell from £399,143 to £312,281 for the year ended February 15, 1977 on turnover which changed at £3.18m against £3.12m.

Pre-tax profit included a profit on the sale of investments £6,869 (£20,897), less amount written off £4,659 (£13,960).

Earnings per 25p share are shown as 3.14p (4.25p) and the dividend is maintained at 2.875p with an unchanged final of 1.625p net.

Bank Hapoalim B.M.

Notice is hereby given that an Extraordinary General Meeting of the shareholders of the Bank, holders of preference shares, holders of ordinary shares of IL 5— (one Israeli pound), holders of ordinary shares of IL 1— (one Israeli pound), holders of preference shares, holders of ordinary preferred shares, will be held at the Head Office of the Bank, 50 Rothschild Blvd., Tel Aviv, Israel at 12.00 noon on 6 May 1977 for the purpose of passing special resolutions as follows:

- To increase the authorised share capital of the Bank by creation of 500,000,000 (five hundred million) ordinary shares of IL 1.00 (one Israeli pound) each.
- To convert the ordinary shares of IL 5.00 (five Israeli pounds) each into ordinary shares of IL 1.00 (one Israeli pound) each.

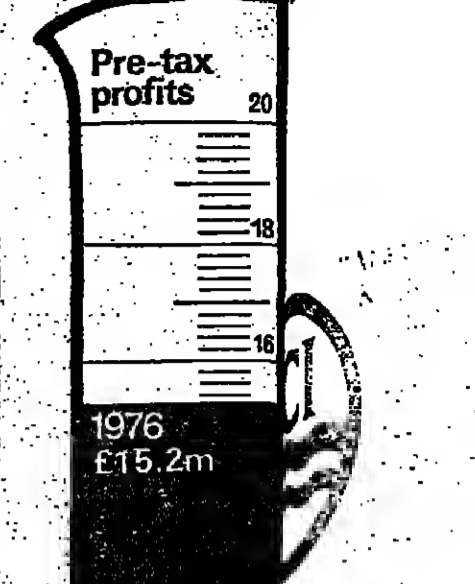
Holders of share warrants to bearer of the Bank may attend the meeting and vote thereon on depositing the said warrants at the offices of the Bank not later than 12.00 noon on 4 May 1977, and such warrants will be retained in custody until the termination of the meeting.

Foreign residents may deposit share warrants to bearer, and owners of bearer shares in the U.K. may arrange for authorised depositaries holding share warrants to bearer on their behalf, to transfer the warrants on the same conditions as mentioned above to the London branches of Bank Hapoalim.

If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to 13 May 1977, 12.00 noon at the Head Office of the Bank, without any duty on behalf of the Board of Directors to give notice thereof to members. If at such adjourned meeting, within half an hour from the time appointed for the meeting, a quorum is not present, the members present shall form a quorum and may transact business for which the meeting was called.

By order of the Board of Directors
Gideon Eilat
Secretary

Croda the 1977 formula



PRE-TAX profits for pet product manufacturers Armitage Brothers increased from £277,829 to a record £407,578 for 1976 on turnover up by £0.72m to £5.08m. At the interim stage, profits were £234,505 against £15,297 on disposal of catering division, and the directors were confident then that unless there was an unexpected downturn in sales, trading profits for the full year should comfortably exceed that of 1975.

Armitage Bros. record £407,578

Earnings per £1 share for 1976 are shown as 48.48p (40.81p) before extraordinary items, and £2.75p (20.57p) after such items. The dividend is raised from 13.3p to 14.53p net absorbing £38,520 (£38,200).

	1976	1975
Turnover	5,082,781	4,365,052
Trading profit	227,229	277,829
Interest paid	16,012	37,234
Profit before tax	407,578	240,622
Taxation	112,767	174,945
Net profit	180,535	165,677
Extra-ord. profits	22,044	32,209
Dividends	115,414	28,279
Retained	115,414	28,279

Silkolene second half recovery

A recovery in the second half enabled Silkolene Lubricants to finish 1976 with pre-tax profits of £775,063, on per share profits of £2.75p (20.57p) for 1976. At halfway profit was down from £387,208 to £197,226.

Turnover for 1976 increased by £1.12m to £7.41m. The dividend total of 1.964p net per 10p share has already been paid.

After tax £395,508 (£406,751) net profit emerged as £378,575 (£370,504).

Summarised group results 1976 (unaudited) £'000

	1976	1975
External sales	181,717	136,424
Trading profit	16,244	10,624
Profit before tax	15,224	9,224
Earnings for ordinary shareholders	7,242	4,024
Earnings per 10p share p	7.27	4.02
Basic	7.11	4.02
Fully diluted	7.11	4.02
Total dividend per share	1.96945	1.76945

Croda makes and markets Organic chemicals, Hydrocarbon products, Edible oils, Gelatin, acidulants & food ingredients, Graphite supplies, industrial & medical paints, printing inks, adhesives, Private label soaps.

Locations: UK, America, Austria, Australia, Brazil, Canada, France, Germany, Holland, India, Ireland, Italy, Japan, N Zealand, S Africa, Spain.

Copies of Report & Accounts available on or after 19 May 1977.

Croda International Ltd, Cowick Hall, South Gosport, N Humberston DN14 9P

Matthews Wrightson Holdings Limited

Stewart Wrightson Limited
International Insurance Brokers
Matthews Wrightson Pulbrook Limited
Underwriting Agents at Lloyd's
Galbraith Wrightson Limited
Shipbrokers
Instone Air Transport Limited
Air Brokers
Matthews Wrightson Land Limited
Rural Land Use.

- Group pre-tax profit increased by 51% to £9,193,000, although as a result of higher taxation and minorities, and shipping provisions, profit attributable to shareholders increased only marginally to £2,847,000.
- The insurance group had an outstanding year, increasing its profit before tax by 73% to £9,558,000. With a 46% increase in brokerage to nearly £34 million, Stewart Wrightson's broking profit rose by 71% to £8,319,000, £2.3 million being attributable to the fall in the value of Sterling.
- In difficult trading conditions, Galbraith Wrightson's ship-broking profit rose from £1,194,000 to £1,781,000.
- In addition to a ship operating loss of £953,000, an extraordinary item provision of £1.3 million has been made in respect of an associated shipping company.
- Rural land use results deteriorated to a loss of £1,282,000, due mainly to terminal losses on the sale of land. However, combined trading profits of the farming and forestry companies increased satisfactorily.
- A final dividend of 5.9655p net is proposed, making a total of 8.8481p net (13.6125p gross), the maximum permitted under Government regulations.

Copies of the Annual Report may be obtained from the Secretary, Matthews Wrightson Holdings Limited, Fountain House, 130 Fenchurch Street, London EC3M 8DJ.

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EXPORTS THE KEY TO A RECORD YEAR

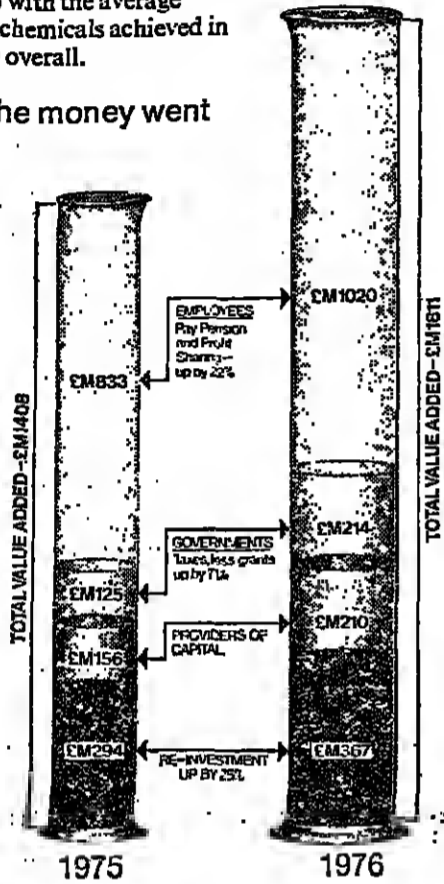
Addressing stockholders at the 50th Annual General Meeting of Imperial Chemical Industries Limited, held in London on Thursday 14th April 1977, the Chairman, Sir Rowland Wright, said:



"At a time when the United Kingdom economy has been notably lacking in vigour, it is a pleasure to be able to report ICI's record profits, record exports and record investment programme in 1976, the Company's jubilee year."

Group profit before tax increased by nearly seventy per cent to £540 million. I shall come in a moment to the effect of inflation on that figure, but inflation notwithstanding it is impressive, and something of an achievement in a year when Britain was the weakest performer of all the industrially developed countries. United Kingdom industrial output rose by only 1%, against 9% for the OECD countries as a whole. However, the United Kingdom chemical industry handsomely outperformed the rest of industry, and ICI did better still. Our United Kingdom chemicals output rose by almost 14% which meant that we kept up with the average output for chemicals achieved in the OECD overall.

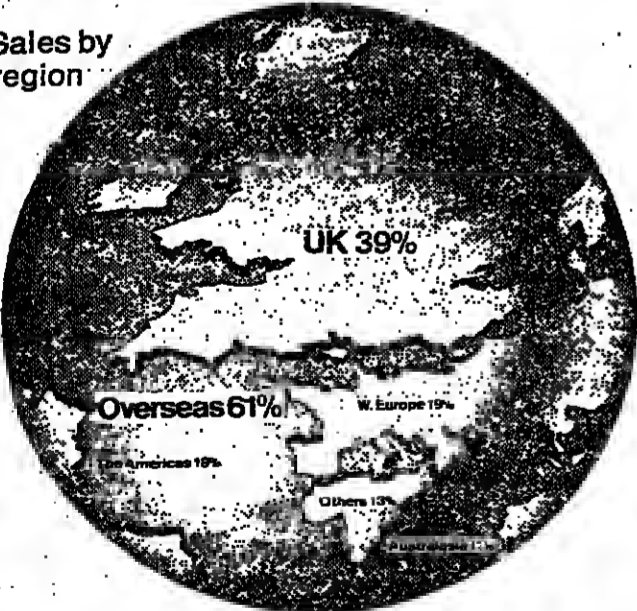
Where the money went



Export strength

It was the strength of our export business from the United Kingdom that enabled us to swim against the tide, giving us not only volume demand but also realisations unrestricted by the price control system to which we have been subjected for so long in the UK. The volume of exports increased by 21% and the value by over 40%; after allowing for our direct imports, we were able to make a positive contribution to the United Kingdom balance of payments of some £500 million. Business increased in every major market, but the really outstanding improvement was in Continental Western Europe. Our shipments there rose by 22% in volume, despite tough competition, and this was further confirmation that our past policy of steady investment on the mainland of Europe has the effect of generating more business for our United Kingdom Divisions. Our experience has been the same throughout the world - establishment of local manufacture stimulates, rather than diminishes, exports from the United Kingdom. Our exports to the United States, India, Africa and Australia, for example, increased substantially in 1976, at the same time as ICI manufacturing subsidiaries in these countries were increasing their turnover and profit.

Sales by region



For the Group as a whole, 1976 proved once again the value of the diversity in both products and markets that we have built up over the years. For example, sales and profits in Canada were affected by the slow growth of the economy, but we benefited from the strong economic recovery in the United States. Although the severe drought slowed the growth of fertilizer sales in the United Kingdom, it was a record year for fertilizers in India.

Contribution to fibres management

There were good results from dyes and pigments, and petrochemicals and plastics recovered well from the depression of 1975. But we could not expect to be immune from the serious problems suffered by fibre manufacturers right across the world - the result of the slow-down of economic growth in Western Europe and the build-up of textile imports from the developing countries.

ICI's losses have been proportionately lower than those of other major European fibre manufacturers, and I think this says a good deal for the management of our fibres operation. We are determined to drive it towards profitability, and are moving steadily along this road. Changes in the structure of

the business continue, and you will see that a large provision has been made in the Accounts to cover the costs of this restructuring. Plant which has become surplus and obsolete, because of changing technology and market needs, is being phased out, overhead costs are being heavily cut, and unfortunately the number of jobs has to be reduced. We are doing all we can to help those whose jobs are affected.

I must emphasise that all these measures have already been the subject of very thorough consultation with our employees. It has been heartening to see how all of them have recognised the problems and are working together to achieve the changes. Our unswerving aim is to emerge with a viable fibres business, with its main strengths intact.

Impact of inflation

I mentioned the impact of inflation on profits. Preliminary estimates, on a current cost accounting basis, show that our pre-tax profit of £540 million would be almost 50% less, and our return on assets would come down from nearly 20% to something like 6%. That was considerably higher than the return achieved in 1975 on the same basis, but I do not believe it is high enough if we are to continue to preserve our security by growth and expansion.

Nevertheless, the profit retained in the business, together with depreciation set aside, enabled us to meet a good part of our cash requirements for the year. We needed £150 million for extra working capital, and £440 million for fixed assets, mainly for new plants. We put a very wide range of projects in hand, from a plant on Teesside to produce protein from North Sea gas, to a new pharmaceuticals research unit in the United States. Development of the Ninian oilfield project continued, with first production envisaged for 1978. We also acquired stakes in oil and gas exploration in Irish offshore waters, the Gulf of Mexico and the Baltimore Canyon off the north-east coast of the United States. Another important development in the USA was our decision to share in a petrochemicals project at Corpus Christi in Texas.

40,000 jobs from investment

We calculate that in the United Kingdom, where well over half the money was spent, our investment provides close on 40,000 jobs outside ICI in the design, equipment and construction industries, as well as jobs in the downstream industries that use our products. The presence of successful industry benefits local communities, too. I was struck by a recent study in north-west England, which showed that each of the 53,000 people working there for ICI and four other large organisations provided work for one other person among suppliers or in the retail trade.

All this illustrates an important point about profits and social responsibility. The latter is a subject that people talk about a good deal these days. Companies are expected to provide secure jobs, for example; to deal fairly with employees of all creeds and colours; to co-operate with local communities; to observe national laws and customs; and to ensure as far as possible that products are safe to manufacture and safe to use. I find such expectations totally realistic and acceptable - ICI has been doing its best to live up to them for fifty years. My complaint is that they do not go far enough. To fulfil its responsibilities to society, a company must aim to do all the things I have mentioned, but it must do more. It must earn adequate profits, because it is this above all that secures jobs, finances research and expansion, and provides the means for society to fulfil its aims. A successful, profitable business is therefore the primary need - the only springboard from which we can satisfactorily achieve all our social objectives.

We have announced for 1977 the largest capital programme in ICI's history. We expect to sanction projects costing over £700 million, and more than half of this will be for the United Kingdom, where there will be an increase of 40% in value, and 25% in terms of plant on the ground, over the 1976 sanctioning programme. Sanctions in Continental Western Europe and the Americas will continue to reflect the importance of these markets. In both of them we are making good progress, and in 1976 profits from sales in Continental Western Europe were better than profits from sales in the United Kingdom. But there is much to be done before we can claim a satisfactory share of the available business there.

Pre-requisites for investment

A programme of this size is not undertaken lightly. We have to be assured, first of all, of the cash - and I am stating that simple fact because the relationship between profit and investment is often forgotten by those who cry out for investment. Our profits in 1976, together with our strong financial position at the end of the year, were important factors in these plans. Despite the very heavy outlay during 1976 in fixed capital, working capital and new investments, we finished the year with net liquid resources some £270 million higher than at the beginning - a firm base for our future capital programme. This was attributable mainly to the rights issue, of which the net proceeds were almost £200 million. Operations of this sort can only be launched at fairly long intervals; good timing is vital to their success, as is the ready participation of the Company's Shareholders.

Cash is not the only requirement. We must also have the competence to ferret out or create new opportunities, to develop new products and processes, to foster new markets. For example, the protein plant on Teesside, which I mentioned earlier, will be taking us into a completely new kind of business, while the organisation we have set up specifically to sell products and services to the offshore oil industry has taken us into new market areas.

We need, in addition, the freedom to act boldly and decisively, judging each project as it is put forward - whether it is a dyes plant in Scotland or a terephthalic acid plant on Teesside - by sound business criteria. One criterion is the political and social stability of the area of the world in question. Another, of course, is the return we can expect on the capital employed. This depends on many factors, from the efficient and constructive use of people's abilities, to the development of new process technology, and in this whole field of productivity we are determined to maintain our present progress.

Common purpose

'But, above all, in building new plants and entering new markets, we need to be assured that there is a sense of common purpose among all who work for ICI; nothing can

do more to weight the scales in favour of success, and it is such an important subject that I should like to say a little more about it.

Throughout our history, our personnel policies have been shaped around the belief that this sense of common purpose will only be achieved through an openness in communication with our employees, involving them, at all levels, in decisions which directly affect their working lives and enabling them to influence those decisions. In modern-day parlance, this has come to be known as participation.

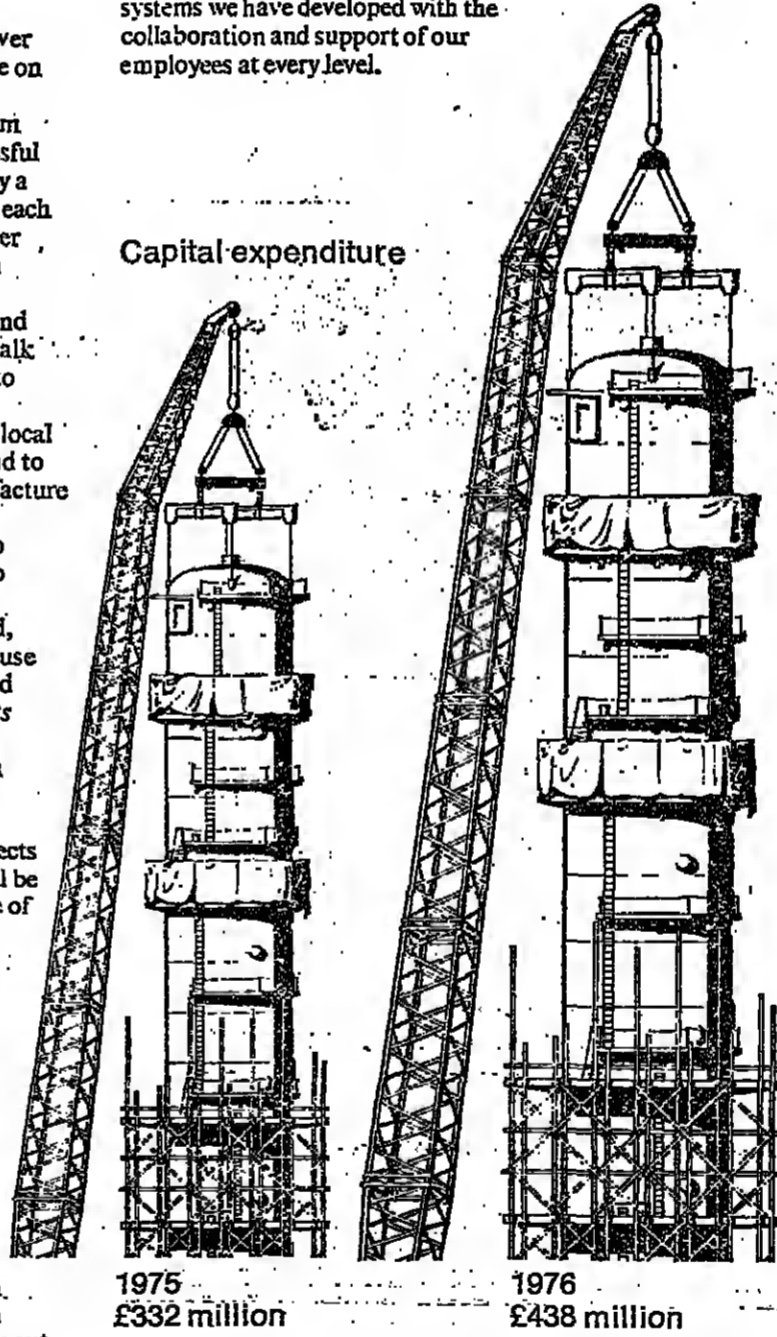
There has been a lot of discussion about participation in recent months. Let me assure you that right from the beginning, in ICI, we have developed our systems of involvement. As far back as 1929, the first Chairman of the Company, Lord Melchett, took steps to ensure that the Directors of ICI should meet employee representatives in face-to-face discussions. An early innovation was the establishment of a pension fund for weekly staff, with half its trustees appointed from among its members - as they are today. Another was the formation of a profit-sharing scheme. This is still very much a going concern after more than twenty years, and a working party of employees has recently made suggestions for improving it.

Joint problem-solving

The system we operate today is built on such foundations. The emphasis throughout our organisation is on exploring every practicable means of formal consultation and involvement, which supplements the informal, day-to-day exchange of views and ideas and the joint problem-solving with which every manager is concerned as part of his job. The processes we use are constantly being developed to meet the changing times and the needs of the business, and they have helped to build up, gradually, an open and participative style of management.

We have first-hand experience of systems of involvement in many different parts of the world. Let me tell you about the systems we operate in the United Kingdom - systems we have developed with the collaboration and support of our employees at every level.

Capital expenditure



In each of some seventy-five ICI works in the United Kingdom, there is a Works Committee made up of managers and shop stewards. They meet once a month to discuss the performance of the business, and future plans, particularly insofar as they affect people. Discussions can range from proposals to build new plants, and how they should be financed, to pensions and how to prepare people for retirement.

From the Works Committee, representatives are elected to go forward to the Division Committee. This includes Division Directors and meets twice a year, under the Division Chairman, to discuss the more important issues which have arisen and those with broader implications. And from the same Works Committees, representatives are elected to meet once a year with me and my colleagues on the Board of ICI to deal with those matters which affect our overall business in the United Kingdom. A feature of both Division and Central Committees is the chairman's "state of the business" address; this is followed by a vigorous and often lengthy question-and-answer session, with no topics barred, in which representatives get, from the Directors, an account and explanation of the running of the Company.

A system that works

We also have a number of sub-committees. The most significant development in recent years has been the formation of Business and Investment Committees, both at Division level, involving employee representatives and Division Directors, and now at central level, with a Deputy Chairman of the Company leading the discussions between employees and other Main Board Directors. In these smaller groups, even more intensive discussion of those decisions affecting the livelihood of employees takes place. Participation for monthly staff has grown in response to more recent requests, but the system which is developing is broadly the same.

Alongside this formal structure, we have parallel discussions between members of the Board and the National Officials of Trade Unions with collective bargaining rights for both weekly and monthly staff.

There is, and always will be, scope to develop these systems further. They have never stood still in the past, and have been continually refined and developed to meet changing needs. But they work well because they have been able to grow in their own way, and for the future, also, they must be allowed to develop at a pace which will ensure they are practicable, acceptable to all, and effective. This is just what the controversial Bullock proposals, if implemented would not allow. I am sure that the Prime Minister was right when he suggested to the CBI that discussions about participation should, in the first instance, be about arrangements below board level. We, in ICI, will try to help in that process as much as we can, recognising that any such arrangement must have links to the directors of the company.

Strong management team

The results we achieved in 1976 are a great credit to all who work in ICI throughout the world - those who make and sell our products, those who develop new products, those who design and build our plants, and many others.

I would like to mention particularly the contribution from our managers. Their job in the United Kingdom has become increasingly difficult in recent years, as one national economic crisis follows another, and mounting Government intervention and legislation adds to the difficulty of doing what is expected of them as managers.

It saddens me to see how, in recent years, comparisons of British industry with its overseas competitors have implied that British management is second-rate. This is just not true, and certainly, in ICI, I believe our management team is as good as any in the world, and the strength of this team has contributed greatly to our present healthy position. But there have to be changes in those aspects of present Government policy which prevent us from rewarding our managers in the United Kingdom adequately, and which impose penal tax burdens on them. Because of iniquitous taxation and high inflation, middle managers in this country today are at least eighteen per cent worse off than in 1966, and for senior managers the figure is nearer thirty-five per cent. This is particularly galling for people who have made such an outstanding contribution to the country's economy. I am glad that there are now signs that the Government is at long last recognising these harsh facts, by taking in the recent budget what can only be regarded as the first steps to reverse the trend of recent years.

Prospects for 1977

We are now well into 1977 and you will want to know something about the prospects for the year.

Results for the first quarter are not due to be announced for another six weeks, but I can tell you that the demand for our products so far this year has shown a slight improvement over the last quarter of 1976. Moreover, we see some signs of further recovery in the world economy during the year, led by the United States. Growth of activity in the United Kingdom appears likely to lag behind that elsewhere, but there is a reasonable prospect that our sales volume overseas, and to a lesser extent also in the United Kingdom, will move up in the second half of the year. But it must again be on the export market that our success and that of many of our important home customers will primarily depend. The maintenance of this export drive depends again on a successful next phase of the incomes policy, leading to a reduction in inflation.

Resolution to increase capital

A resolution is set out under item 4(2) of the Notice convening this meeting. It seeks to increase the authorised capital of the Company by £75 million. As we explained on page 19 of the Annual Report, the object of the increase is to give us a reasonable working balance for whatever purposes may arise.

People

I should like now to mention a few items concerning the Board. The first is the death some four months ago of Mr G. D. A. Klijnsma, a non-Executive Director, which caused us great sorrow. We shall greatly miss his wise and forthright counsel.

Last month we lost the services of Mr S. D. Lyon, who retired after 31 years' service with the Company: an appreciation of the part he has played in ICI's affairs appears in the annual report. Mr W. B. M. Duncan has been elected a Deputy Chairman in his place. Two new Directors have been appointed since our last meeting. Mr T. N. Beckett, who is Chairman and Managing Director of Ford Motor Company Ltd, serves in a non-Executive capacity, and Dr P. G. Harvey, formerly Chairman of Mond Division, is an Executive Director. May I add that it gave us great pleasure to learn recently of the election of Dr Alfred Spinks, our Research Director, as a Fellow of the Royal Society.

Finally, I know you will want to join me in thanking all who work in ICI for their efforts last year. For my part, this is so much more than a polite formality. The outstanding feature of the Company's history over fifty years has been the strength derived from the skill and dedication of people, and these qualities become more and more of greater value as the world of industry becomes more complex and competitive."



هذا من الأصل

Portals ahead by 35% to top £7.3m.

Outlook at Amal. Metal

Automotive Products jumps £3.86m. to £8.97m

AFTER RISING from £1.08m. to £5.07m. in the first half, pre-tax profits of Portals Holdings finished 1976 35 per cent. ahead at £7.3m. against £5.4m. Turnover expanded by 16 per cent. to £68.24m.

Earnings are shown to be up by 28 per cent. from 17.13p to 21.85p on capital increased by last May's one-for-four rights issue and, as forecast, the dividend is lifted from 3.54p to 7p net of the increased capital with a final of 4p.

over the two halves because of a pickup in orders for treatment chemicals and small industrial plants. However, demand for larger plants from the local authorities remains dull though export orders are turning up. Overall Portals is looking for growth from both its major divisions this year and early estimates are similar for profits growth of around a quarter. After the £3.8m. rights issue, cash balances have shot up from a small deficit in £4m. at the year end to another £2m. odd has come in since from the sale of Zanol. The 1976 yield is 6 per cent. covered three times on stated earnings.

1.348p (1.828p) per 10p share and the interim dividend is raised from 0.4613p to 0.675p net. Last year's total was 1.15613p and pre-tax profits were £655,047.

PROVIDED confidence can be nurtured through the continued control of inflation, there should be a marked improvement in the level of business activity by the year end, particularly in the U.S., says Mr. J. D. Robbins, the retiring chairman of Amalgamated Metal Corporation.

The recent improvements in housing starts and capital goods expenditure augur well for a higher level of economic activity there, he tells members. The prospects, however, are not nearly so bright for Western Europe and a significant upturn in business activity may be deferred until late in the year. Notwithstanding this, demand for and prices of most metals should continue to improve and price movements are likely to be volatile.

Mr. Robbins will be succeeded as chairman after the annual general meeting by Sir John Saunders, former chairman of The Hong Kong and Shanghai Banking Corporation.

As reported on March 30, turnover rose from £731m. to £1,056m. in 1976 and trading profit advanced from £455m. to £671m. The dividend total is 14.15p (12.87p) net.

At half-year, reporting a rise from £1.8m. to £2.5m. in results should show a significant improvement over 1975.

The dividend is raised from 1.6272p to 1.8297p net per 23p share.

After tax of £4.15m. (£2.63m.) and extraordinary profits of £222,000 (£210,000) the balance retained is £3.77m. (£1,40m.).

In order to enable a more realistic appraisal to be made of the financial condition of the company and in particular of the gearing ratio, of borrowing, the latter have been augmented by a re-valuation of land and buildings and a transfer from deferred tax of the amount in that account arising from timing differences in depreciation of plant and machinery. At the year end reserves stood at £37.7m. compared with last year's published figure of £14.4m.

The buoyant underlying trend in all divisions continues as the directors do not withstanding industrial relations disputes causing major disruptions to production and a general rise of the U.K. original equipment customers, their mood remains one of confidence that 1977 will see a continuation of the resumed growth which characterised 1976.

Turnover	1976	1975
Water treatment and engineering	46,243	39,999
Other	22,000	28,241
Total	68,243	68,240
Pre-tax profit	7,300	5,400
Water treatment and engineering	4,941	3,211
Other	2,359	2,189
Total	7,300	5,400
Dividend	7.00	3.54
Reserves	37.70	14.40

Photo-Me Int. up midway

TURNOVER OF Photo-Me International for the six months to October 31, 1976, rose from £6.66m. to £8.5m., and pre-tax profit advanced from £1.39m. to £1.63m. The directors state that the results for the second half are expected to be at least comparable with the corresponding period of the previous year.

Profit for the whole of 1975-76 was £13.7m. against £9.8m. Stated earnings per 50p share are 19.24p compared with 15.29p.

The accounts of overseas subsidiary companies have been converted into sterling at current rates of exchange as has been the practice in the past. It has been misleading, in as much as due to the improvement in the pound since that date, the half year's profit now reported would have been overstated, say the directors.

The upward trend in turnover has continued during the first six months, and costs and expenses have been largely contained. It is stated.

As reported on March 30, turnover rose from £731m. to £1,056m. in 1976 and trading profit advanced from £455m. to £671m. The dividend total is 14.15p (12.87p) net.

An analysis of turnover and trading profit by activity shows that in the current year, sales concentrates £235m. (£235m.), tin smelting £178m. (£125m.) and £4.58m. (£3.1m.) steel merchandising and fabricating (£22m. (£19m.)) and other activities £23m. (£20m.) and £433,000 (£788,000).

The directors say that 1976 proved an eventful year in metal markets. Initially, a continuance of the industrial recovery which had commenced at the end of 1974, coupled with continuing inflationary pressures, produced increased demand for raw materials, both for consumption and for reworking and inevitably led to higher prices.

Later in the year recovery slowed, the new-found optimism abated, buyers became more cautious and markets slackened. As a result, prices declined once more.

Valuable contributions in earnings were made by two of the U.K. trading companies, Ministar Metal Corporation, trading both internationally and domestically, and William Rowland which specialises in Ferro-Alloys and in providing a metals simply service to manufacturing industries.

The Dutch Krans, smelter in Malaysia (50.5 per cent. owned) was again a major contributor to results, earning substantially higher profits than in 1975. This is the group's most important tin smelting investment and a very efficient operation, which benefited in 1976 from a higher average tin price and an improved market for tin/antimony bearing slates.

Meeting, Winchester House, E.C. 4 on May 24 at 10 p.m.

£2.2m. from Green's Economiser

TURNOVER FOR the 53 weeks to end 1976 of engineers Green's Economiser Group expanded from £11.8m. to £13.4m. and pre-tax profits advanced from £1.82m. to £2.19m. after £1.1m. (£0.89m.) for the first six months.

Full year earnings are shown to be up from an adjusted £2.79p in 1975 to £3.25p and the dividend is raised from 3.85p to 4.30p net with a final of 2.10p.

There has been credited direct to capital reserve a sum of £4.10 representing the increase in unrealised exchange profit on the South Africa Company's sterling loan.

As reported on March 30, turnover rose from £731m. to £1,056m. in 1976 and trading profit advanced from £455m. to £671m. The dividend total is 14.15p (12.87p) net.

Chersonese pays 2p

On turnover up from £1.16m. to £1.75m., pre-tax profits of Chersonese (FMS) Estates rose from £490,102 to £743,515 in 1976 and the dividend is lifted from 1.18p to 2p net per 10p share with a final of 1.9p.

As reported on March 30, turnover rose from £731m. to £1,056m. in 1976 and trading profit advanced from £455m. to £671m. The dividend total is 14.15p (12.87p) net.

Colliery pays for clinic

Miners, officials and management at Allerton Colliery, in Northumberland are giving 10p a week for a year to pay for a physiotherapy clinic in their village.

As reported on March 30, turnover rose from £731m. to £1,056m. in 1976 and trading profit advanced from £455m. to £671m. The dividend total is 14.15p (12.87p) net.

Progress seen at Trade Indemnity

Mr. K. M. Revell, chairman of Trade Indemnity Company says in his annual statement that the anticipations of the company's 1976 business in 1977 will make a greater contribution to its overall income than in 1976, and that similar forecasts for Australia and Hawaii re-insurances will continue in 1977.

Midway slip at Wade Potteries

Reporting a fall in pre-tax profits from £204,789 in 1975 to £197,100 in 1976, the directors of Wade Potteries say they are confident that full year results will justify the payment of the maximum permitted dividend.

Continuing strength in demand should ensure a progressive increase in 1977.

As reported on March 30, turnover rose from £731m. to £1,056m. in 1976 and trading profit advanced from £455m. to £671m. The dividend total is 14.15p (12.87p) net.

Matthews Wrightson advance

TURNOVER for 1976 of insurance brokers Matthews Wrightson Holdings rose from £49,235m. to £57,61m. and pre-tax profits advanced from £9,07m. to £9,19m. after £3.38m. against £1.81m. for the first half.

As reported on March 30, turnover rose from £731m. to £1,056m. in 1976 and trading profit advanced from £455m. to £671m. The dividend total is 14.15p (12.87p) net.

Opening over

Kent's new £17,000 indoor cricket school at the St Lawrence ground, Canterbury, was opened yesterday by Lord Cornwallis, the senior captain of Kent. The school has been named after Howard Levert, the former Kent and England wicket-keeper.

As reported on March 30, turnover rose from £731m. to £1,056m. in 1976 and trading profit advanced from £455m. to £671m. The dividend total is 14.15p (12.87p) net.

comment

The paper division set all the running at Portals with a 48 per cent. profit increase to contribute £1.6m. of the £2.19m. increase in trading profits. The expansion has been both at home and overseas, with the latter now accounting for some 65-70 per cent. of the division's sales. Meanwhile the water treatment side had a better closing half than anticipated. Profit growth accelerated from 12 per cent. to 32 per cent.

comment

The key to Bowthorpe's 38 per cent. profit increase is exports and overseas earnings. Substantial gains for year as a whole with the cent. owned Brazilian continuing to grow, reflected in the doubled 23p net 20p share and the dividend is lifted from 8.048p to 10.848p net with a final of 8.663p.

comment

Up a quarter last year, Matthews Wrightson's earnings are still 31p net per share.

PHILIPS

N.V. PHILIPS' GLOEILAMPENFABRIEKEN
Eindhoven, The Netherlands

The Board of Management hereby gives notice to the shareholders of the Company that the ORDINARY GENERAL MEETING will be held on Friday, 6 May 1977, at 2.30 p.m. at the "Philips' Jubileumhal" in Eindhoven.

Shareholders of N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken are admitted to this meeting.

AGENDA

1. Opening.
2. Report of the Board of Management for the financial year 1976.
3. Report of the Supervisory Board on the Annual Accounts for 1976.
4. Adoption of the Annual Accounts and declaration of a dividend of f 1.60 on the ordinary shares. An interim cash dividend of f 0.60 has already been paid.
5. Announcement of the retirement on 6 May, 1977 of Mr. H. A. C. van Riemsdijk as President of the Company.
6. Proposal to elect Mr. N. Rodenburg President of the Company with effect from 6 May 1977.
7. Proposal to elect Mr. A. E. Pennenberg and Mr. L. J. Wijns with effect from 6 May 1977 to the Presidency of the Board of Management and, by the same token, Vice-Presidents of the Company.
8. Announcement of the Supervisory Board that the General Meeting of Shareholders on 6 May 1977 five vacancies arise on the Supervisory Board owing to the retirement by rotation of Mr. C. R. C. Wijkkerheid Bisdom and Mr. N. van der Vorm, to the retirement of Mr. F. J. Philips and Mr. W. A. de Jonge by reason of their having reached the statutory age limit, end to the death of Mr. J. G. Bavnick.

Mr. N. van der Vorm is eligible and available for re-election. Mr. C. R. C. Wijkkerheid Bisdom, who is eligible, is not available for re-election. Mr. F. J. Philips and Mr. W. A. de Jonge are not eligible for re-election. The Supervisory Board hereby gives notice that, provided the General Meeting recommends no other persons to fill the said vacancies, it intends to propose, in addition to the re-election of Mr. N. van der Vorm, the election of Mr. A. Hubben, Mr. G. W. Rathenau, Mr. H. A. C. van Riemsdijk and Mr. Y. Scholten as members of the Supervisory Board.

The General Meeting is entitled to lodge objection to the proposed appointments.

Further particulars relating to Mr. N. van der Vorm, Mr. A. Hubben, Mr. G. W. Rathenau, Mr. H. A. C. van Riemsdijk and Mr. Y. Scholten are available for inspection at the office of the Company.

9. Any other business.
10. Conclusion.

Shareholders of N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken, who wish to attend this meeting, must comply with the indications mentioned in the simultaneously published notice convening the ordinary general meeting of N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken.

Eindhoven, 15 April 1977.

PHILIPS

PHILIPS

N.V. GEMEENSCHAPPELIJK BEZIT VAN AANDEELEN PHILIPS' GLOEILAMPENFABRIEKEN
(Philips Lamps Holding)
Eindhoven, The Netherlands

The Chairman of the Board of Management hereby gives notice to the shareholders of the Company that the ORDINARY GENERAL MEETING will be held on Friday, 6 May 1977, at the "Philips' Jubileumhal" in Eindhoven, to be held following the meeting of shareholders of N.V. Philips' Gloeilampenfabrieken.

AGENDA

1. Opening.
2. Report of the Board of Management for the financial year 1976.
3. Adoption of the Annual Accounts and declaration of a dividend of f 1.60 on the ordinary shares. An interim cash dividend of f 0.60 has already been paid.
4. Announcement of the retirement of Mr. Th. P. Tromp, who, by reason of his having reached the statutory age limit, is not eligible for re-election.
5. Any other business.
6. Conclusion.

Shareholders (except for holders of shares registered in their name in the New York Register, to whom the arrangement mentioned under B applies) who (in person or by proxy) wish to attend the meeting, to address it and exercise their voting right, must deposit their shares, or letter of confirmation as referred to in Article 8 of the Articles of Association, in exchange for a receipt serving for admission to the meeting, not later than Friday 29 April 1977:

A. in the Netherlands: at the Amsterdam-Rotterdam Bank N.V. in Amsterdam, Herengracht 597; in Rotterdam Coolingsingel 119, or in the Hague, Kneuterdijk 8, or at the office of the Company in Eindhoven, Pieter Zeemanstraat 6.

in the United Kingdom: at Hill Samuel & Co. Limited, 45 Beech Street, London, EC2P 2LX.

in other countries: at the banks designated for such purpose. Further particulars can be obtained from Hill Samuel & Co. Limited, London.

B. Holders of shares registered in their name in the New York Register who wish to attend the meeting and to exercise there the aforesaid rights either in person or by proxy, should give written notice to that effect to the Company not later than Friday, 29 April 1977, at the office of the Bankers Trust Company, Special Operations, Two Broadway, 2nd Floor, New York, N.Y. 10004.

A copy of the annual accounts and of the auditor's certificate is deposited for inspection by shareholders at the Registrar Office of the Company and at the offices of the above-mentioned banks.

Copies of the Philips Annual Report 1976, containing among other information the aforesaid documents, and the Report of the Board of Management for the fiscal year 1976, are available (free of charge) to the shareholders upon request, at the Registrar Office of the Company in Eindhoven and at the offices of the aforesaid banks.

Eindhoven, 15 April 1977.

PHILIPS

Progress seen at Trade Indemnity

Mr. K. M. Revell, chairman of Trade Indemnity Company says in his annual statement that the anticipations of the company's 1976 business in 1977 will make a greater contribution to its overall income than in 1976, and that similar forecasts for Australia and Hawaii re-insurances will continue in 1977.

He added that it seems likely that the company's earnings will be 31p net per share.

NOTICE OF ISSUE

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

The Bristol Waterworks Company

(Incorporated in England on the 16th July, 1846, by the Bristol Waterworks Act, 1846.)

OFFER FOR SALE BY TENDER

of such an amount of

8 1/2 per cent. Redeemable Preference Stock, 1982

[which will mature for redemption at par on 31st May, 1982] as will [with premiums or allowing for discounts] produce the sum of

£5,000,000

Minimum Price of Issue £100 per £100 Stock

yielding at this price, together with Advance Corporation Tax at the current rate, £13.08 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961, and by paragraph 10 of Part II of the First Schedule thereto. Under that paragraph the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order, 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividends on this Stock will be at the rate of 8 1/2 per cent. per annum and no tax will be deducted therefrom. The Associated Tax Credit at the present rate of Advance Corporation Tax (35/65ths of the distribution) is equal to a rate of 4 15/26ths per cent. per annum.

A deposit of £10 per £100 nominal amount of Stock applied for must accompany each Tender which must be received at National Westminster Bank Limited, New Issues Department, P.O. Box No. 79, Drapers Gardens, 12, Throgmorton Avenue, London, EC2P 2BD, in a sealed envelope marked "Tender for Bristol Waterworks Company Stock" not later than 11 a.m. on Thursday, 21st April, 1977, being the time of the opening of the subscription lists, and before which no allotment will be made. The balance of the purchase money must be paid on or before 31st May, 1977.

STATUTORY AND GENERAL INFORMATION

The Company was incorporated by a Special Act of Parliament in 1846 and under that Act and subsequent Acts and Orders obtained powers for supplying water in an area of approximately 2,391 square kilometres comprising the major part of the County of Avon (including the City of Bristol) and parts of Somerset, Gloucestershire and Wiltshire.

The population in the area now served by the Company is about 973,000. The daily consumption of water supplied by the Company for domestic, industrial and public use currently averages about 280 thousand cubic metres. The length of mains operated by the Company is some 5,652 kilometres.

The net proceeds of the present issue will be used to provide for the redemption at par on 30th June next, in accordance with the terms of issue, of £3,521,570 6/3 per cent. (formerly 9 per cent.) Redeemable Preference Stock 1977 and the balance to fund part of a continuing programme of necessary capital works which is being temporarily financed by short-term borrowing amounting on 14th March, 1977 to £2.7 million. Further funding will be required in due course.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:

Seymour, Pierce & Co.,
10, Old Jewry, London EC2R 8EA.

Hoare Govett Limited
1, King Street, London EC2V 8DU.

National Westminster Bank Limited,
New Issues Department,
P.O. Box No. 79, Drapers Gardens, 12, Throgmorton Avenue, London EC2P 2BD.

National Westminster Bank Limited,
31, Corn Street, Bristol BS99 7PZ.

or from the Offices of the Company at Bridgwater Road, Bristol BS99 7AU.

Furniture record

WE THE LIMBLESS, LOOK TO YOU FOR HELP

copy 100 1/250

Stag Furniture 20% up to record £1.56m.

STAG FURNITURE reported a 20% increase in sales for 1976, reaching a record £1.56m. The company's profit also rose by 20% to £250,000. The directors have recommended a dividend of 10p per share for 1976. The company's turnover for the year ended December 31, 1976, was £1,560,000, compared with £1,290,000 in 1975. The profit for the year was £250,000, compared with £208,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977. The company's turnover for the year ended December 31, 1976, was £1,560,000, compared with £1,290,000 in 1975. The profit for the year was £250,000, compared with £208,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

Bowthorpe increase is £1.49m

The directors of **Bowthorpe** have recommended a dividend of 10p per share for 1976. The company's turnover for the year ended December 31, 1976, was £1,490,000, compared with £1,350,000 in 1975. The profit for the year was £250,000, compared with £208,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

Linread back in profit

LINREAD has reported a recovery in profit for 1976. The company's turnover for the year ended December 31, 1976, was £1,400,000, compared with £1,300,000 in 1975. The profit for the year was £100,000, compared with a loss of £50,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

BIDS AND DEALS

Tremletts agrees £2.5m takeover
An agreed £2.5m takeover bid from a consortium which includes a leading Danish industrial group, was announced yesterday.

Haslemere Est.

HASLEMERE EST. has reported a 15% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £1,200,000, compared with £1,050,000 in 1975. The profit for the year was £150,000, compared with £130,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

Mardon Sale

MARDON SALE has reported a 20% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £1,100,000, compared with £900,000 in 1975. The profit for the year was £110,000, compared with £90,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

Rosehaugh Tea

ROSEHAUGH TEA has reported a 15% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £800,000, compared with £700,000 in 1975. The profit for the year was £80,000, compared with £70,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

Beaver Says Accept

BEAVER SAYS ACCEPT has reported a 10% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £600,000, compared with £550,000 in 1975. The profit for the year was £60,000, compared with £55,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

Share Stakes

SHARE STAKES has reported a 15% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £500,000, compared with £450,000 in 1975. The profit for the year was £50,000, compared with £45,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

Financial Controller

FINANCIAL CONTROLLER has reported a 10% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £400,000, compared with £350,000 in 1975. The profit for the year was £40,000, compared with £35,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

Inbucon/AIC

INBUCON/AIC has reported a 15% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £300,000, compared with £250,000 in 1975. The profit for the year was £30,000, compared with £25,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

Company Notices

COMPANY NOTICES has reported a 10% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £200,000, compared with £180,000 in 1975. The profit for the year was £20,000, compared with £18,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

British Limbless Ex-Service Men's Association

BRITISH LIMBLESS EX-SERVICE MEN'S ASSOCIATION has reported a 15% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £150,000, compared with £130,000 in 1975. The profit for the year was £15,000, compared with £13,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

WE, THE LIMBLESS, LOOK TO YOU FOR HELP

WE, THE LIMBLESS, LOOK TO YOU FOR HELP. We come from both world wars. We come from Kenya, Malaya, Aden, Cyprus, and from Ulster. From keeping the peace in the Middle East, we have turned our backs on war and we look to you for help. And you can help by helping our Association. BLESMA (the British Limbless Ex-Service Men's Association) looks after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that top-grade prosthetic stands in the way to the right equipment to pension. And, for the severely handicapped and the elderly, it provides Residential Homes where they can live in peace and dignity. Help BLESMA, please. We need money desperately. And, we promise you, not a penny of it will be wasted.

RTZ doubles earnings and opens purse

RTZ has reported a 100% increase in earnings for 1976. The company's turnover for the year ended December 31, 1976, was £1,000,000, compared with £500,000 in 1975. The profit for the year was £500,000, compared with £250,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

MINING NEWS

RTZ doubles earnings and opens purse

RTZ has reported a 100% increase in earnings for 1976. The company's turnover for the year ended December 31, 1976, was £1,000,000, compared with £500,000 in 1975. The profit for the year was £500,000, compared with £250,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

APPOINTMENTS

SENIOR UNDERWRITING OPPORTUNITIES

C. £12,000 p.a. + substantial fringe benefits

Our client is one of the most progressive and successful insurance companies in the Far East with his Head Office in Hong Kong. Internally generated expansion provides the requirement to add two senior underwriters to the team.

Financial Times PetroMoney Report

The Financial Times is looking for an editor for its newsletter PetroMoney Report, a fortnightly review of the deployment of oil revenues. Experience in financial journalism, essential, knowledge of the Middle East desirable. Salary competitive, but negotiable according to experience.

Greenwell forecasts more growth in sterling M3

GREENWELL forecasts more growth in sterling M3. The Bank of England's money supply is expected to increase by 10% in 1977. This is a significant increase from the 8% increase in 1976. The increase is expected to be driven by a combination of factors, including a rise in government borrowing and a decline in the public sector deficit. The Bank of England has indicated that it will continue to maintain a steady growth rate of 10% for 1977.

Greenwell forecasts more growth in sterling M3

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LEGAL NOTICES

LEGAL NOTICES has reported a 10% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £100,000, compared with £90,000 in 1975. The profit for the year was £10,000, compared with £9,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

COMPANY NOTICES

COMPANY NOTICES has reported a 10% increase in sales for 1976. The company's turnover for the year ended December 31, 1976, was £200,000, compared with £180,000 in 1975. The profit for the year was £20,000, compared with £18,000 in 1975. The directors have recommended a dividend of 10p per share for 1976, which would be payable on June 15, 1977.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Volkswagen signals its return to health

By ADRIAN DICKS

BONN, April 14

VOLKSWAGEN, with a year of months, the extent of VW's recovery is greater than many analysts had been predicting...

TEXTILES

Rhone Poulenc now expects a loss

By ROBERT MAUTHNER

RHONE-POULENC, the French chemicals and textile giant, has announced a sharp rise in consolidated group sales...

No dividend from Kanebo

KANEBO LTD, one of Japan's top textile spinning companies, will not pay a dividend this year...

Igesund prospect depressed

By William Dufforce

STOCKHOLM, April 14. IGESUND, the Swedish paper, board and timber concern with subsidiary interests in steel and chemicals...

IAC losses and the Citicorp bid

By JAMES FORTH

SYDNEY, April 14

THE REASON for the U.S. bank Citicorp, deciding to make a full takeover bid for its ailing Australian finance company subsidiary...

Mitsui invests in U.S. notes

By DOUGLAS RAMSEY

TOKYO, April 14

MITSUI BANCING COMPANY has become the first Japanese bank to invest in U.S. Treasury Notes...

SWIFT commence next month

By DAVID BUCHAN

BRUSSELS, April 14

ON MAY 9 some 20 to 25 banks in France and Belgium will plug into the computerised system for international payments...

Prices higher in dollar sector

By MARY CAMPBELL

THE DOLLAR sectors of the European market were more active yesterday with prices strengthening again...

Ford recommends stock split

By PAULINE CLARK

MICHIGAN, April 14

THE BOARD of Ford Motor recommended to shareholders that the stock be split on a five-to-four basis...

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as of Wednesday, April 13...

Table with columns: Country, Currency, Value of DLR. Lists exchange rates for various countries including Algeria, Albania, Algeria, Argentina, Australia, Austria, etc.

Domestic Bonds Hectic trading in Holland

By PAULINE CLARK

THE DUTCH domestic bond market emerged as a hotly traded one yesterday...

Celaneso Corp. sees fibres on right track

By PAULINE CLARK

Celaneso Corp. sees fibres on right track. U.S. fibre business was moving in the right direction...

BANQUE WORMS

Summary of Balance Sheet as at December 31st, 1976 from accounts in full submitted to the next Shareholders' Meeting...

Table with columns: Assets, Liabilities. Shows financial figures for Banque Worms, including Due from banks, Advances to customers, Investments, etc.

A FINANCIAL TIMES SURVEY WORD PROCESSING

May 3, 1977

The Financial Times is preparing to publish a survey on word processing in its edition of May 3 1977. Its coverage will include the development of new equipment...

For further information please contact your local branch of the Bank of America.

Head Office: 45, Boulevard Haussmann, 75009 Paris. U.K. Subsidiary: Worms (U.K.) Limited, 61, Queen Street, London EC4R 1AL.

Vertical text on the right edge of the page, including 'Information O', 'Cefis', 'Indus Develop', 'Floating', 'Overseas Bank', 'Investment Bank', 'Worldwide', 'Financial Times', 'Survey', 'Word Processing', 'Choice of Systems', 'Marketing', 'Secretaries and Typists', 'Future Developments', 'The proposed publication date is May 3: copy date is April 22...

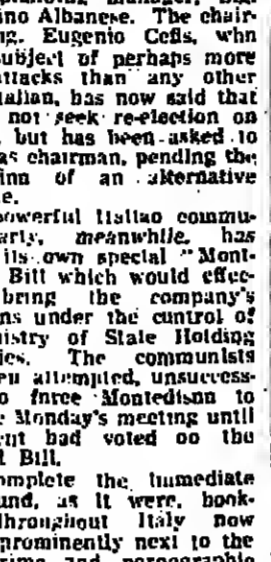
INTERNATIONAL FINANCIAL AND COMPANY NEWS

Resignation of Signor Cefis

ROME, April 14. THE BATTLE for control of Italy's largest and perhaps most controversial conglomerate, the holding Milan-based Montedison, has now entered a decisive phase. At Monday's annual general meeting of the group's parent company, Montedison SpA, the three-year term of Signor Cefis as chairman of the board expires, and normally the event would be a mere formality...

Entering a decisive phase

Only a few years after Montedison was established in 1966, the company found itself in serious financial difficulties. In part as a result of its fighting between the rival Edison-Montecatini managerial factions and philanthropists, but also because the group failed to keep up with the basic principle of a market economy in a sector as competitive as chemicals, requiring constant technological renewal.



Eugenio Cefis

By 1971, when Sig. Cefis, the former chairman of the State hydrocarbon concern, ENI, was appointed chairman, Montedison was effectively controlled by a founding syndicate composed of two old-established Italian companies, ENI and IRI, and a group of Italy's largest private companies like Pirelli and Fiat. At the same time, he launched a highly ambitious plan to restructure the group involving investments totalling over L4,000bn for a period of five years.

Hutchison dividend on profit upswing

HONG KONG, April 14. HUTCHISON INTERNATIONAL has exceeded its interim profit forecast for the year to end December 1976 by 10 per cent and is recommending payment of a dividend for the first time since 1974.

Table with columns: STRAIGHTS, MID-DAY INDICATIONS, CONVERTIBLES, NOTES, and YIELDING RATE NOTES. Lists various bond types and prices.

Akzo profit hopes

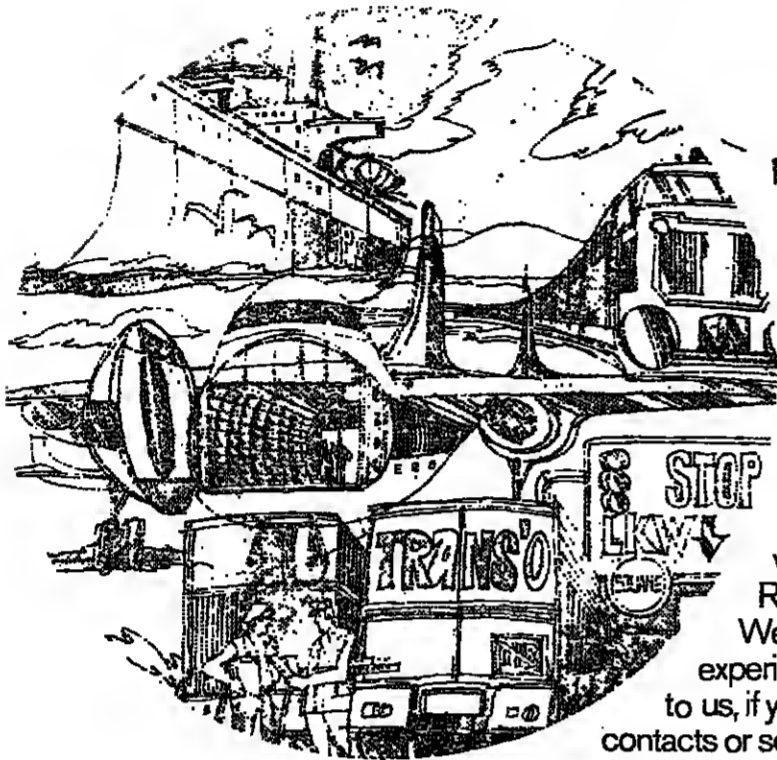
AMSTERDAM, April 14. AKZO, the troubled Dutch-based chemical group, said in its annual report published here today that it expected to make a modest profit this year after serious losses in the previous two years.

Advertisement for Industrial and Mining Development Bank of Iran. Features a logo and lists various international banks as agents for floating rate notes due 1984.

Advertisement for European Coal and Steel Community. Promotes \$75,000,000 in 9 1/2% bonds due April 1, 1977, listing various financial institutions.

Vertical text on the far left edge of the page, including 'AL TIME' and 'ESS NEWS'.

Meeting Place Hannover Meeting Place Nord LB



Hannover - centre of commerce and communications between East and West, North and South, at the cross roads between E.E.C. and E.F.T.A., is the ideal meeting place for industry from all over the world. At the time of the Hannover Fair, directors of international corporations, international bankers and influential government officials come together in this historic European City. On this occasion, many of them pay a visit to Norddeutsche Landesbank (Nord LB) to gather financial information or to discuss business projects. As the largest bank in North Germany, with an extensive network of worldwide connections, Nord LB is also one of the Federal Republic's major credit institutions.

We shall be glad to provide you with the services of an experienced bank of strong financial resources. Please, turn to us, if you want to get the right entry in establishing business contacts or setting up branch offices in Germany. We are looking forward to your visit.

You will find us at Georgsplatz 1, in Hannover, at the Nord LB-Zentrum, in Braunschweig, at the service section at the Hannover-Langenhagen Airport; at the Hannover Fair in the Bankennalle, and in the Niedersachsen-Pavillon, Stahlstraße/Mannheimer Straße.

Norddeutsche Landesbank Hannover - Braunschweig Nord LB International S.A. Luxemburg

APPOINTMENTS

Sir John Saunders to become head of Amalgamated Metal



Sir John Saunders

Sir John Saunders, a director of AMALGAMATED METAL CORPORATION, is to become chairman after the annual meeting on May 24. He will succeed Mr. J. D. Robbins, who is to relinquish the chairmanship on that date but remain on the Board until he reaches retirement age at the end of this year. Sir John was chairman of the Hong Kong and Shanghai Banking Corporation from 1964 to 1972 when he retired from the service of the bank to the Far East.

Mr. G. Warwicker has been appointed chairman of GKN DISTRIBUTORS from July 1, relinquishing the post of managing director. Servicomatic. Mr. R. J. Jessop has joined the Board of GKN Engineering Services as line director for the reinforcing, distribution and domestic services zone of which he has been appointed managing director. Mr. Jessop has also been made chairman of GKN Chep and Servicomatic and a director of GKN Reinforcements and GKN (Northern Ireland) and he continues as managing director of GKN Chep. Mr. R. Blake, deputy chairman, GKN Engineering and Construction Services, has resigned as chairman of GKN Chep and Servicomatic but remains on the Board of both companies. Mr. P. T. Williams, a director of GKN Chep, is now general manager of that company.

Mr. R. H. Braybon has been appointed deputy chairman of the ALLIANCE BUILDING SOCIETY. He succeeds Mr. C. J. Baker who vacates that position after his year of office.

Mr. Terry Shipton has been appointed managing director of Dorada Motor Group and Mr. Maurice Ruck becomes managing director of Dorada Engineering Group. Two new companies will administer the two main streams of activity of DORADA HOLDINGS—vehicle distribution and engineering.

KIRKLAND WHITTAKER GROUP has made the following executive Board appointments from May 1—Mr. P. C. Lane, chief executive; Mr. D. G. Hermlage, deputy chief executive and managing director of Kirkland Whittaker (Foreign Exchange and Currency Deposit Brokers); Mr. K. Carpenter, managing director, Kirkland Whittaker (Sterling Bankers); Mr. R. G. Leatham, managing director, overseas operations. Mr. R. H. Salaman joins the Board of Kirkland Whittaker Group and Mr. A. L. Severin relinquishes his directorship within the group, but remains as consultant.

Air Chief Marshal Sir Neil Cameron, Chief of the Air Staff, is to be promoted to Marshal of the ROYAL AIR FORCE on July 31. His appointment as Chief of the Defence Staff from September 1, 1977, has already been announced. Sir Neil's successor as Chief of the Air Staff, Air

Illustrated Publications, Mould and Allied Publications, Industrial Newspapers, Argus Books, and Polystyle Publications, and Mr. de Lany, managing director of Argus Press, has relinquished the chairmanship and continues to be a director of those group companies.

INTELSAT has made the following appointments to take effect within the next few months: Mr. Reginald Westlake, deputy director general; Mr. Andrea Caruso, deputy director general; Mr. William Wood, deputy director general; Mr. E. W. Wood, deputy director general; Mr. J. J. G. Kelly, deputy director general; Mr. J. J. G. Kelly, deputy director general; Mr. J. J. G. Kelly, deputy director general.

Mr. T. W. Brydon, secretary and chief accountant of REVOLUTION PROTECTION, has been appointed to the Board.

Mr. I. A. N. Melotish, a director of Sazmel Montague and Co., has been appointed a non-executive director of SANDERSON KAYSER.

Following the offers by Oeevander Eriens Finance for OZ-ALLIANCE GROUP HOLDINGS, Mr. N. K. Kelly, Mr. A. J. Borrett, Mr. J. R. Gilmore, Mr. J. M. Jackson and Mr. Cyril Pitts have resigned from the Board of OZ. Mr. J. Kaptein has become chairman of OZ, Dr. J. V. H. Penagos, deputy chairman and managing director, and Mr. J. Schaafsma, director, and Mr. J. Barrett and Mr. J. M. Jackson have joined the Board of OZ Finance.

Miss Angela Crew, who is 21, has been appointed manager of the new branch of the ST. PANCRAS BUILDING SOCIETY at North Harrow, Middlesex.

Mr. K. L. Boyce and Mr. R. L. Walker have been appointed directors of C. E. Health (Urduhar) (Life and Pensions) and Mr. L. M. Hewitt has been made a director of C. E. Health and Co. (North America), members of the C. E. HEALTH GROUP.

Mr. Dale F. Jacobs has been elected a vice-president of the HARRIS BANK, Chicago. He is a member of the staff of its London branch.

Mr. J. P. Kelly has been appointed general secretary of the BIRMINGHAM AND MIDLAND INSTITUTE and general manager of the BAI Conference Centre.

Mr. Charles B. McDonald has been appointed to the Board of TULLIS RUSSELL AND CO. Mr. N. C. Preece, Mr. A. H. Hunter, Mr. R. G. Pace and Mr. M. A. Temperley become assistant directors of that concern. The companies are members of the STEWART WRIGHTSON GROUP.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM, 01-336 3161
Credit card bookings 01-240 5258.
Ballet of the 20th Century
Eves. 7.30, Sat. 8.15, Sun. 7.30
The Triumph of Peter
Ramon April 18 to 21
The Royal Ballet
COVENT GARDEN 240 1068
Garden Opera
Eves. 7.30, Sat. 8.15, Sun. 7.30
The Royal Ballet
COVENT GARDEN 240 1068
Garden Opera
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The Royal Ballet

THEATRES

DUKE OF YORKS, 01-836 5122
Eves. 8.15, Sat. 8.15, Sun. 7.30
The Royal Shakespeare Company
GENUINELY MILDLY
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The Royal Shakespeare Company
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THEATRES

FICCAOILLY, 437 2506
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CINEMAS

ANDRE CERAIN, Watercolours
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ART GALLERIES

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compile budgets for international business travel...
approve expenditure on foreign travel...
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هذا من الأصل

BOOKS

Golden outsider

BY C. P. SNOW

Gold and Iron, Bismarck, Bleichröder, and the Building of the German Empire by Fritz Stern. Allen & Unwin. £11.50, 620 pages

Until Gold and Iron came my way, I had never so much as heard of Bleichröder. In this count... I had never so much as heard of Bleichröder. In this count... I had never so much as heard of Bleichröder. In this count...

His life—splendidly told by Professor Stern in his book, with diligent intelligence and wealth of reference—is an emblematic story and perhaps a cautionary one. Gerson Bleichröder was a Jew. His first important commission was as a kind of agent...

But he remained a Jew. That didn't stop him acquiring all the honours that Bismarck could provide. After the Franco-Prussian War he was ennobled as Baron von Bleichröder, the first unconverted Jew in Prussia to get such a title. He was received at Court, and entertained, on a scale of plutocratic lavishness...

It became much harder as he climbed to his greatest success. Anti-Semitism was on the rise. He was used as a pretext to attack Bismarck. The Minister Jew...

died blind, slandered by the anti-semitic Press, and by the most respectable anti-semitic voices in Berlin. His children had been a corroding disappointment. Fortunately he could not have foreseen the future. Even the Bank in his lifetime so magnificent, began to decline as soon as he died. Grandchildren of his, Christians for two generations, were classified as Jews by Eichmann and assigned to ghettos for old people. They managed to escape to Switzerland.

It is not an agreeable record. Yvon Stern's scrupulous and impartial narrative Bleichröder was not an entirely agreeable man, but he had great gifts, never abandoned his fellow Jews, and spent himself on their behalf. He also spent himself on Bismarck's behalf, which didn't earn him much gratitude, when anti-semitism was menacing and his usefulness becoming exhausted.

The story reveals some aspects he understands. It is clear that whatever the Bleichröders had done, they couldn't have become assimilated. Apart from father Gerson himself, they passionately wanted to be. It was impossible. Bleichröder knew that, being a man of social insight...

Many of the heat English 19th-century writers emitted ally anti-semitic references, and this became more systematic in the decade before 1914. Later than that, there was discrimination in the most liberal institutions. Bleichröder was probably a disadvantage to be Jewish in academic life up to the second world war—except in science, where, since for example theoretical physics was almost entirely a Jewish subject...



Gerson von Bleichröder, from an 1858 painting by Emilie Winters

Unrepentant lady

BY REX WINSBURY

A Life of Contrasts by Diana Mosley. Hamish Hamilton, £3.50, 296 pages

Many years ago, when heeking a National Front meeting outside Earl's Court tube station in London, I and some friends were confronted by a motley band of Front supporters. One of whom, a skinny, underfed man of indeterminate middle age, wearing a cloth cap, looked me squarely in the eye, but from below—for he was shorter than I—and said, "I could find my glasses if you'd push you up the nose." By the time he found them, the police had intervened.

But at least this incident does, I feel, give me the moral right to declare that I enjoyed much of Diana Mosley's book, without being accused of ransacking Fascism. For can one really expect Sir Oswald's wife—let alone one of the formidable and talented Milford families—to be forgiven for her part in writing, just so that the great British public can rejoice in the belated conversion of such a sinner? Yet that, apparently, is what some of her critics want her to have done. Not that some of Lady Mosley's arguments are not as astonishing as they are repulsive.

When she tries to suggest that world Jewry was really to blame for Hitler's massacre of the Jews, because it did not make enough effort to get Jews out of Germany while they were still good, she is guilty of the most willful myopia. Yet at the same time, when she describes the meekness of herself and her sister Unity with Hitler, and tells us about the texture of his more slender and hair, she has provoked the quite unfair accusation of ignoring Hitler the Fascist in the monster. It is precisely this true-to-time feminine reaction, Diana's father, "Farve," made to Hitler that makes the account of those meetings interesting.

Law lords

BY HUMPHRY BERKELEY

Lord Goddard by Fenton Bressler. Harrop, £7.95, 334 pages

I met Lord Goddard on two occasions. Once I was taken to dinner to Fratts by a friend of mine, the late Lord Goddard, who was then the head of his long period as Law Lord Justice, was among those sitting round the famous dining-room table. I will not violate the unwritten rule of clubs by repeating what was said at the dinner. However, remarkable as it was for a man of 81. On the second occasion I met him at a dinner party when he was 83. I had been the second Lord Justice of Appeal, a Bill to abolish capital punishment, which was proceeding through the House of Commons of which I was still a member. His vitality seemed undiminished. As Lord Justice of Appeal, the light of battle was in his eyes. "You are one of those soft-hearted people who care more about the murderer than the victim" was his opening remark. "And you" I replied "as the judge who sentenced Derek Bentley to death and wanted him to hang, obviously care about nobody."

It was, of course, an inordinately rude rejoinder and an accusation far from true. But I was determined not to be brow-beaten by him and from that moment onwards I was not. Later we talked over part for half an hour. He was courteous, civilised and mellow. I would not like to have appeared in front of him in court, with no right to answer back for he was the ruff in which tyrants are made.

Those, like myself, who have been life-long opponents of capital punishment are ironically in Lord Goddard's debt. As Lord Chief Justice, he was the trial judge in the famous Craig and Bentley murder case in 1953. Derek Bentley, an unsmiling youth of 16, was hanged, while his partner in the robbery expedition, Christopher Craig, who actually shot and killed a policeman was reprieved because he was 16 and under age. Many people, even some of those who supported capital punishment, were appalled at this act of injustice. Lord Goddard said to the jury in 1953: "because they mean that they should not have hanged the other." The earlier hanging in 1949 of Timothy John

Fiction

More than kind

BY MARTIN SEYMOUR-SMITH

Ruth by P. H. Newby. Faber and Faber, £3.75, 124 pages

The Autumn of the Patriarch by Gabriel García Márquez. Translated from the Spanish by Gregory Rabassa. Cape, £4.50, 238 pages

P. H. Newby, whose 17th work of fiction this is, began as a self-consciously 'serious' novelist; he wanted to exercise his affinity with D. H. Lawrence (which he did to notable effect) and at the same time to 'Anglicise' Kafka. None of his early novels was so ambitious, so confused, too intent on providing a solution to commonplace but important problems of identity, the proper relationship of the individual to the community, and so forth) to give the author the chance to be, so to say, himself.

Mr. Newby's desire to be literary, though not slavishly, has led him to believe that to be merely literary would supply him with answers, made his novels when judged as wholes seem to lack originality. Yet there were exquisite passages in these. His affinity with Lawrence is shared in his capacity to convey the sense of a place; some scraps of description of the 'English round Worcester, where he grew up) are as good as anything of the kind elsewhere. García Márquez, the novel in which he has been able to convey a sense displayed his powers to their fullest extent is A Step to

hand and healing on the other. Of mad totalitarianism and folk-tradition of the lives of individuals in this lurid and absorbing book he seems to have lost hope. People exist only as types: mad, violent, sadistic or victimised types. First victims and then revolutionaries break into the palace of the dictator who has been ruling them for 250 years. They find his rotting body. The country is Caribbean; it was once an island, but it has lost its sea to the Americans and is now land-locked.

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P. H. Newby: practised raconteur

Welsh into English

BY JAMES ROOSE EVANS

The Orford Book of Welsh Verse in English chosen by Gwyn Jones. OUP, £3.95, 313 pages

This collection of poems, written in English by Welsh writers or translated from the Welsh, is a volume of its kind yet to appear in print. Complete with historical introduction and notes on individual writers, it has been compiled by Professor Gwyn Jones, former chairman of the Welsh Language Society, who has spent some seven years before (as Dylan Thomas, he has proved) that one of his own poems, "The Blue Day Journey," reveals him to be an outstanding poet. He uses the term "Welshness" to describe the features of bardic poetry: compound words, alliteration, and intricate inner rhymes, but with such a sense of structure and rhythm and melody as has not been heard since the days of Hopkins. With the exception of Dylan Thomas.

This is poetry that sings and has that quality known as "bwyll" and which is to be found in the best of Dylan Thomas's poetry. By "bwyll" I mean an richest, most varied, and surprising anthologies ever published. Among the surprises is a letter written by Henry Vaughan to John Aubrey about the role and genesis of a poet. The fable with which Vaughan illustrates his point, a story told to him by one of the old bards, is itself one of the most magical things in this book. To read this volume is to experience what we in Wales call "hiraeth," that peculiar and particular sense of belonging to, and yearning for, Wales.

It was in the 13th century that Wales finally lost its independence. The conflict between Wales and England is centuries old. As R. S. Thomas has written: "We were a people taut for war... We fought and were always... Like the snow thawing upon the slopes Of Mynydd Mawr—and yet the stranger Never found our ultimate stand"

Victim of terror

BY WILLIAM D. SHOLTO

Ross by Norris McWhirter. Churchill Press, £4.50, 240 pages

Ross McWhirter was murdered entering his North London home on November 27, 1975. His twin brother, Ian McWhirter, has written this book as an epitaph and biography, since the twins had "a shared life." McWhirter was probably best known as editor of the Guinness Book of Records and as sports correspondent of The Star. He was a keen athlete and friend of Chris Chataway and Roger Bannister, but as he advanced in years he increasingly transferred his sporting enthusiasm from the track to the law courts, where he exposed a whole series of fatal cases that he believed deserved judicial remedy.

The book does not attempt to explain the murder, presumably because the matter was sub judice until February 10, when four IRA gunmen and McWhirter, Duggan and Doherty were sentenced to 30 years' imprisonment for this and other killings. Ross had published a political broadsheet entitled Majority Journal of Free Enterprise and Self-Help in which he advocated prosecuting terrorist bombers for treason. This, of course, would entail their execution against the IRA over the Andy Warhol film.

No one can deny that McWhirter's death as a victim of terrorism was shocking. Yet he encountered at school and which would appear never to have I had thought extinct. The brothers are comfortably off, inconspicuous, sporting, square, patriotic and right-wing. They served in the Navy and Norris is forever getting his tackle in order or putting on his spikes. Two quotations illustrate the style. After being selected as a first string for the Naval-Div. that alone — Sir Robert Mackenzie

Highland champion

BY ALAN HODGE

Montrose: The King's Champion by Max Hastings. Gollancz, £7.95, 334 pages

After the battle of Killbuck, near Glasgow, in August 1645, James Graham, Marquis of Montrose, the last of the Jacobite Cavaliers in Scotland, seemed to be master of the country. He had defeated Argyll and the Scottish lords of the Covenant, to which he had himself once subscribed. He had charged from Presbyterianism to Cavalier a few years earlier and became King Charles's champion in Scotland. Montrose wrote "admirable letters to the King, but he had little sense of politics. He lacked the talent to rally his troops in battle, and with success in the court and council chamber. His northern clansmen often deserted and he received little support from the Lowlands. A major battle with the King's army was fought at Philiphaugh near Selkirk. Edie followed in Norway and dealings with the royalists in Paris, including Henrietta Maria, and under her flag as an Abbe. Montrose landed in Orkney, invaded the mainland, and was defeated at Carbisdale, north of Inverness, in May 1650. He was sold by his hosts, the Macleods, to the Covenant for a promise of £28,000 Scots pounds. On May 13 he was hanged in Edinburgh. Before mounting the guillotine he asked the magistrates if their instructions compelled him to do so. They answered in the affirmative and that such were the orders of the King. "Oh, that I could see the King's face," he said, "that I might treat him as my monarch." Charles II, in exile, who had awarded him the Garde, did rescue him, but signed the Covenant and agreed with the Scots to enforce Presbyterianism in England; a promise he steadfastly did not keep in 1660.

Crimes

Death of a Schoolboy by Hans Koning. Quercy, £3.95, 187 pages

This is not so much a detective novel as a historical novel about a famous crime. In fact it is the story of Gavriilo Princip, the assassin of the Austrian Archduke Francis Ferdinand, and the spark that started the conflagration of the Great War. With remarkable invention and sensitivity, Hans Koning penetrates the mind of the Bosnian school-boy, (much of the book is told in the first person); and with equally remarkable economy, he depicts the political and social situation of the time. Edge of those readers who have heard only vaguely of Sarajevo, this book will be a welcome revelation.

Superintendent Masters' team is breaking up. Sergeant Brant has got married and moved to a higher post; Sergeant Hill is also due for promotion. That leaves the spiky, aggressive Inspector Green and the smooth, cool Masters himself. Before Masters can get rid of the familiar thorn in his side, he is called on to solve a case. Green once more proves his usefulness, so it is likely he will go on playing his gaddy role for a while longer. The case itself is a thriller of the "medical" type, and it is neatly explained. There is no secret about the identity of the too-cleverly-half murderer; the problem is to catch him. Masters does it again, with his usual understated, spry touch. Douglas Clark is a gratifyingly economical, as well as original, writer.

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Interest-free Loan Administration. Should you wish to make an interest-free loan for charitable purposes, CAF will carry out the administration, distributing the income to charity entirely tax-free.

Covenant Services. CAF also has long-established covenant services which ensure speedy recovery of income tax for the benefit of charity.

Charity Credits. All account holders can be issued with a book of Charity Credits. Used just like a cheque, they enable you to give when you want, to whom you want. They are by far the most convenient way of distributing money to charity. To find out more, please post the coupon below indicating the booklets you require.

To CHARITIES AID FOUNDATION
48 Fernbury Road Tonbridge Kent TN9 2JD

Please send me the following booklets:
THE FACTS LIVES OF THE CHARITIES AID FOUNDATION (which sets out the aims of the charity).
TRUST FACILITIES—how to help those who wish to give capital to charity.
GIVING TO CHARITY FROM INCOME—a guide for individual donors.
THE BUSINESS SIDE OF GIVING TO CHARITY—a guide for Company Directors.
CHARITY CREDITS—a supplementary leaflet.

NAME _____
ADDRESS _____

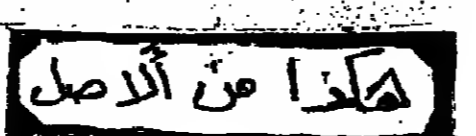
CHARITIES AID FOUNDATION
Specialists in tax-privileged giving to charity.

LORD GODDARD
Fenton Bressler

Foreword by Lord Denning

Roger Goddard was born in 1877; called to the Bar in 1909; retired in 1958 after twelve illustrious years as Lord Chief Justice of England, and died aged ninety-four in 1975. This official biography of the century's most outstanding man of law will probably not increase or reduce the number of Goddard's admirers or detractors. But it will help them to understand him better. And it will help them to appreciate his role in the history of the law that alone — Sir Robert Mackenzie

ILLUSTRATED BY ROBERT MACKENZIE



WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

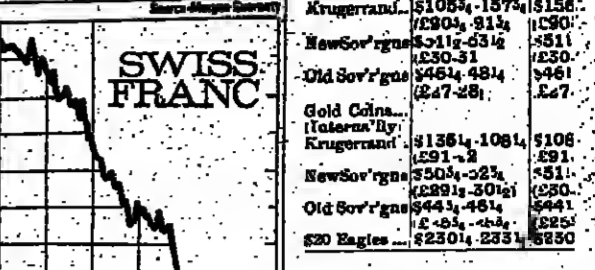
Early 10.6 advance on tax plan

PRICES ROSE sharply and announcing a stock split and a broadly in active trading on Wall Street today, when investors were encouraged by a White House announcement that the tax in the Blue Chips. Do not have...

Among Engineers, GHH Explosives Rio Tinto staged a belated recovery, gaining 3 1/2 to 1450.

STERLING - Quietly mixed Domestic industry shares advancing on growing anticipation of further cut in Discount Rate. Volume 300m. (same) shares.

GOLD MARKET



FOREIGN EXCHANGES

Table with columns for currency, bank, and rate. Includes entries for Gold Bullion, Gold Coins, and various foreign currencies like Swiss Franc, Japanese Yen, etc.

WEDNESDAY'S ACTIVE STOCKS

Table listing active stocks with columns for stock name, price, and change. Includes titles like IBM, AT&T, and various industrial stocks.

OTHER MARKETS

Canada moves up Canadian Stock Markets also moved upwards in moderate trading yesterday morning.

RIGHTS RATINGS

Table listing rights ratings for various companies, including columns for company name, price, and rating.

Indices

NEW YORK - DOW JONES

Table showing Dow Jones index data for various dates in 1977, including high and low values.

Rises and Falls

Table showing rises and falls in various markets, including columns for market name, price, and change.

EXCHANGE CROSS-RATES

Table showing exchange cross-rates for various currencies, including columns for currency, price, and change.

SPERMAL DRIVING

Table showing spermal driving data, including columns for company name, price, and change.

STANDARD AND POORS

Table showing Standard and Poors index data for various dates in 1977, including high and low values.

MONTEREAL

Table showing Montreal market data, including columns for market name, price, and change.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies and terms, including columns for currency, rate, and term.

FORWARD RATES

Table showing forward rates for various currencies, including columns for currency, rate, and term.

OVERSEAS SHARE INFORMATION

Large table providing detailed share information for various international companies, including columns for company name, price, and change.

Vertical advertisement on the right edge of the page, featuring the text 'Can refir' and 'Lom on h'.

FARMING AND RAW MATERIALS

Colombian move lifts coffee

By Richard Mooney
NEWS THAT Colombia had gained raised its coffee export...

Canada copper refinery strike

By JOHN EDWARDS, COMMODITIES EDITOR
A STRIKE by workers at new been stepped...

Eggs to be cheaper next week

By Our Commodities Staff
EGGS SHOULD be 4p a dozen cheaper in the shop next week...

LIVESTOCK Feed cost problems worsen

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT
IN MY younger days the fluctuating fortunes of British farming...

Soviet timber offer delayed

THE IMPACT on the U.K. softwood market of recent devaluations in Sweden and Finland...

Lomé pact talks end on harmonious note

THE LOME Convention talks between representatives of the EEC and 52 African, Caribbean and Pacific (ACP) countries...

U.S. to oppose world grain reserve target

WASHINGTON, April 14. C.A.T. & R. ADMINISTRATION officials seeking to promote the development of global grain reserve stockpiles...

Parana soyabean crop cut

By SUE BRANFORD
A CUT OF 500,000 tonnes in the soyabean crop in Parana was announced yesterday by the state Government...

COMMODITY MARKET REPORTS AND PRICES

BASE METALS
COPPER - Gained ground in active trading on the London Metal Exchange...

SUGAR
LONDON DAILY PRICE (raw sugar)
C/S 1241 a tonne cif for April-May...

PRICE CHANGES
Metals
April 14 4 or Month ago

Why do clients prefer Prescot?
2. BETTER ADMINISTRATION
Clients receive immediate telephone reports and/or telex confirmation of all trades...

COFFEE
London opened fully steady on good news from short-term reports...

U.S. Markets
Soyabeans fall; coffee, copper rise
NEW YORK, April 14. CONTINUATION of liquidation and stop-loss orders...

Prescot Commodities Ltd
6 Bloomsbury Square, London WC1A 2LP
YORKSHIRE
Up to 50,555 sq. ft. temperature controlled storage space available...

MEAT/VEGETABLES
SMITHFIELD (pence per pound)
Soyabean Meal
The market opened 21s down after reports of a heavy rain...

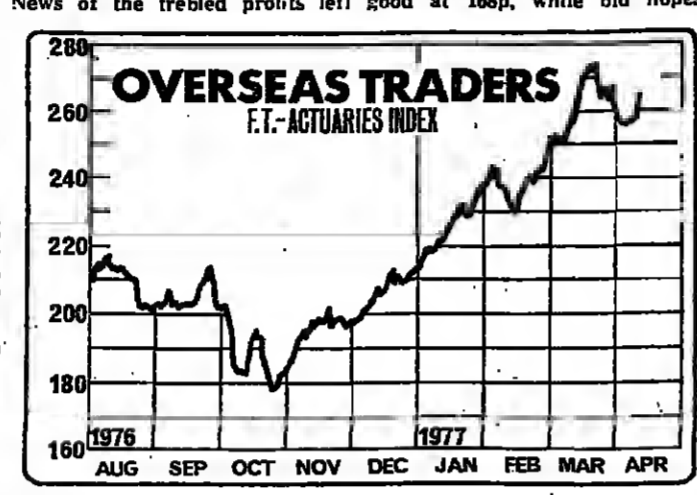
FINANCIAL TIMES
REUTERS
DOW JONES
MOODY'S

STOCK EXCHANGE REPORT

Firm close after late wobble on fears for pay curbs
Index up 3.2 at 421.0 after 422.1—Short Gilts higher

Account Dealing Dates and the continuing indication that providing the market-related formula was adopted in today's Treasury Bill tender would signal a Minimum Lending Rate of 8 per cent. as against the current 9 1/2 per cent. The domestic interest rates were particularly active at the short end of the market which after showing some hesitation in the early trading, moved convincingly higher to close with gains extending to 1/2; both activity and the upward momentum continued into the after-hours' session. Mediums and longs were not quite so fortunate and lower early quotations tempted a few weak holders out, but the losses which ranged to 1/2 in high coupon issues were erased just before official trading closed. After-noon trading remained steady in line with the trend among the shorts. Mr. Gormley's views that the miners would reject any announcement that the National Union of Bank Employees would press for wage increases of 16 per cent. made little lasting impact on the market. Corporate news was equally scarce and prices began to do better again until the afternoon announcements of the miners' strong opposition to further restraint on pay and the bank employees' union call for rises of at least 10 per cent. as the price for their better business terms. At its best of the day, at 1 p.m. the FT 100-share index was up 4.3 but the rise was clipped to 1.0 two hours later before the late rally. The index closed at 421.0, a net rise of 3.2 at 421.0; this makes a gain of 20.5 in the last four trading days. Bargains increased sharply from 4,938 to 5,150 which still compares poorly with the recent daily average of about 7,000, while yesterday's London bargains total was lower at 3,482 against Wednesday's 3,822. Rises outnumbered falls in FT-quoted equities by more than 3-to-1 compared with Wednesday's 2-to-1 majority. The FT-Actuaries All-share index hardened one per cent. more, to 176.48; rises of over two per cent. were recorded in Oils, on reports that Omani oil may be marketed at a competitive price rather than at a lower U.S. Government-controlled one. Insurance Brokers, following the better-than-expected profits showing from Matthews Wrightson, and Overseas Traders on hopes of further exemptions from the 10 per cent. tax following yesterday's announcement of Rio Tinto-Zinc's request for this treatment. Several firm features elsewhere reflected continued speculative buying, while a fairly lengthy list of company trading statements resulted, for the most part, in small mixed price changes. Southern Rhodesian Bonds were marked higher ahead of the coming visit to the country by the Foreign Secretary, the 2 1/2 per cent. warps moving up 5 to 537. Thoughts in the gilt-edged market gradually turned to interest rates as talk arose of imminent cuts in clearing bank base rates

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FINANCIAL TIMES STOCK INDICES

Table with columns for various stock indices (Government Sec., Fixed Interest, Industrial Ordinary, etc.) and their values for different dates (Apr. 13, Apr. 14, Apr. 15, Apr. 16, Apr. 17, Apr. 18, Apr. 19, Apr. 20).

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows for various stock indices and S.E. Activity for different dates (Apr. 13, Apr. 14, Apr. 15, Apr. 16, Apr. 17, Apr. 18, Apr. 19, Apr. 20).

Oil shares enjoyed another firm session and were livelier than most other sectors. British Petroleum featured with a rise of 2 1/2 to 850p, interest being stimulated to an extent by a report that President Carter was in favour of world market prices for Alaska oil. Shell met scattered demand and put on 8 to 820p, while British Gas edged forward a penny further to 57p. Lasso were good again at 80p, put on 2 to 810p. Overseas Traders were notable for a rise of 5 to 120p. London Merchant Securities staged a spectacular revival in Financials, closing 8 to 220p. An active speculative trade which included call-option business.

Common Brea. remained the focal point in Shippings and rose 1 1/2 to 225p for a two-day gain of 3 1/2 in a restricted market. John 1. Jacobs formed 2 to 30p, after 3 1/2p, on the chairman's forecast of so increased dividend for 1977. James Fisher rose 4 more to 130p but Huntingdon, at 170p, gave up 5 of the previous day's rise of 19. Similarly, Lytle, at 142p, lost 4 of Wednesday's rise of 5 which were made up to 23 to 144p in the late dealing on news of the sale of its holding in Haslemere Estates. Among the Leaders, Land Securities improved 3 to 180p and WEPAC rose similarly better at 47 1/2p. The British were fairly active and ended a penny dearer at 47 1/2p. GUI and Duffos moved back into the spotlight in Overseas Traders, rising 10 to 210p in active trading for a two-day gain of 23; the preliminary figures are due on April 20. Lonrho were finally higher at 70p, after 60p, on the dividend forecast which accompanied the rights issue proposal, while William Jack closed marginally firmer at 17 1/2p following the first-half profits. Jones Ploy rose 8 to 215p as did Ocean Wilsons, to 194p, Camellia Investments...

RECENT ISSUES

Table with columns for EQUITIES, FIXED INTEREST STOCKS, and RIGHTS OFFERS, listing various stocks and their prices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table with columns for EQUITY GROUPS, GROUPS & SUB-SECTIONS, and various indices (Index No., Day's Change, etc.) for different dates (Thurs. April 14, 1977, Wed. April 13, Tues. April 12, Thurs. April 7, Wed. April 6, Year end approx.).

SPECIAL APRIL ISSUE devoted to the MELLON FOUNDATION in America. This issue celebrates the opening of the new Yale Center for British Art and covers some aspects of the Mellon collection. The issue contains articles on Georgian conversation pieces, British portraits, and English landscapes (1630-1850) including the work of Turner and members of the Norwich School. There is also an article on the collection of rare books on drawing and painting techniques formed by the Mellons in the 1950's, as well as the regular monthly reviews of current sales and exhibitions.

Form for ordering the Special April Issue. Fields include Name, Address, and a section for 'SIGNED' with a line for a signature. Text: 'SINGLE COPY £1.50 OR £2.00 FROM THE PUBLISHERS. Annual subscription: U.K. £18.00. Overseas £20.00. U.S.A. \$48.00. From: Apollo, Bracken House, 10, Cannon Street, London, EC4P 4BT. Telephone: 01-246 8000. Please enter a subscription for one year (12 monthly issues) to Apollo Magazine commencing with the issue'. At the bottom: 'APOLLO A division of the Financial Times Limited. Registered Number 227599. Registered Office: Bracken House, Cannon Street, London, EC4P 4BT.'

Table titled 'ACTIVE STOCKS' showing Denomination, Closing price, and Change for various stocks (BP, Shell, GKN, etc.). Below the table is a section for 'OPTIONS TRADED' with details on calls and puts for various companies.

Table titled 'NEW HIGHS AND LOWS FOR 1977' listing various stocks and their new high and low prices. Below it is a section for 'RISES AND FALLS YESTERDAY' showing changes in various stock indices and sectors.

Handwritten Arabic text at the bottom of the page: 'هذا من الأصل'

السوق المالية

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

STOCK INDEX table with columns for various stock indices and their values.

Table of Authorised Unit Trusts, listing various funds and their performance metrics.

Table of Offshore and Overseas Funds, listing international investment options.

Table of Offshore and Overseas Funds (continued), listing more international investment options.

Table of Offshore and Overseas Funds (continued), listing more international investment options.

Table of Food Price Movements, showing price changes for various food items.

Table of Base Lending Rates, showing interest rates for various banks and institutions.

Table of Food Price Movements (continued), showing price changes for various food items.

Table of Insurance, Property, and Bonds, listing various financial products.

Table of Insurance, Property, and Bonds (continued), listing various financial products.

FINANCIAL TIMES

INSURANCE BASE RATES table with columns for different insurance types and their rates.

HEALY & BAKER SURVEYORS VALUERS AND ANCTIONEERS OF REAL ESTATE. 29 St. George Street, London W1A 3BG

FT SHARE INFORMATION SERVICE

INDUSTRIALS - Continued

BRITISH FUNDS

Table of British Funds with columns for Name, Stock, Div. Yield, and Price.

Over Fifteen Years

Table of funds with performance over 15 years, including columns for Name, Stock, Div. Yield, and Price.

Over Ten Years

Table of funds with performance over 10 years, including columns for Name, Stock, Div. Yield, and Price.

Over Five Years

Table of funds with performance over 5 years, including columns for Name, Stock, Div. Yield, and Price.

Over Two Years

Table of funds with performance over 2 years, including columns for Name, Stock, Div. Yield, and Price.

Over One Year

Table of funds with performance over 1 year, including columns for Name, Stock, Div. Yield, and Price.

Over Six Months

Table of funds with performance over 6 months, including columns for Name, Stock, Div. Yield, and Price.

Over Three Months

Table of funds with performance over 3 months, including columns for Name, Stock, Div. Yield, and Price.

CANADIANS

Table of Canadian stocks with columns for Name, Stock, Div. Yield, and Price.

BANKS AND BIRK PURCHASE

Table of bank and Birk purchase data with columns for Name, Stock, Div. Yield, and Price.

Five to Fifteen Years

Table of bank and Birk purchase data over 5-15 years.

Over Ten Years

Table of bank and Birk purchase data over 10 years.

Over Five Years

Table of bank and Birk purchase data over 5 years.

Over Two Years

Table of bank and Birk purchase data over 2 years.

Over One Year

Table of bank and Birk purchase data over 1 year.

Over Six Months

Table of bank and Birk purchase data over 6 months.

Over Three Months

Table of bank and Birk purchase data over 3 months.

Over One Month

Table of bank and Birk purchase data over 1 month.

BUILDING INDUSTRY - Continued

Table of building industry stocks with columns for Name, Stock, Div. Yield, and Price.

DRAPERY AND STORES - Continued

Table of drapery and stores stocks with columns for Name, Stock, Div. Yield, and Price.

ELECTRICAL AND RADIO

Table of electrical and radio stocks with columns for Name, Stock, Div. Yield, and Price.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks with columns for Name, Stock, Div. Yield, and Price.

CINEMA, THEATRES AND TV

Table of cinema, theatre, and TV stocks with columns for Name, Stock, Div. Yield, and Price.

DRAPERY AND STORES

Table of drapery and stores stocks with columns for Name, Stock, Div. Yield, and Price.

BUILDING INDUSTRY - TIMBER AND ROADS

Table of building industry timber and roads stocks with columns for Name, Stock, Div. Yield, and Price.

AMERICANS

Table of American stocks with columns for Name, Stock, Div. Yield, and Price.

AMERICANS - Continued

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Table of American stocks with columns for Name, Stock, Div. Yield, and Price.

AMERICANS - Continued

Table of American stocks with columns for Name, Stock, Div. Yield, and Price.

ENGINEERING - Continued

Table of engineering stocks with columns for Name, Stock, Div. Yield, and Price.

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Table of engineering stocks with columns for Name, Stock, Div. Yield, and Price.

INDUSTRIALS - Continued

Table of industrial stocks with columns for Name, Stock, Div. Yield, and Price.

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INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, Shell, and various engineering firms, with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including companies like Rover, Jaguar, and various aircraft manufacturers.

PROPERTY - Continued

Table of property stocks, including various real estate and construction companies.

TRUSTS - Continued

Table of trust stocks, including various investment and management trusts.

TRUSTS - Continued

Table of trust stocks, including various investment and management trusts.

MINES - Continued

Table of Central African mines, including companies like Anglo American and De Beers.

AUSTRALIAN

Table of Australian stocks, including various mining and industrial companies.

TINS

Table of tin stocks, including various mining companies.

COPPER

Table of copper stocks, including various mining companies.

MISCELLANEOUS

Table of miscellaneous stocks, including various companies from different sectors.

NOTES

Notes section containing financial information and company announcements, including details about dividends and share issues.

RECENT ISSUES AND RIGHTS

Text regarding recent issues and rights of various companies, including details on share offerings.

REGIONAL MARKETS

Table of regional market data, including stock prices and indices for various international markets.

OPTIONS

Table of 3-month call rates for various companies and markets.

INSURANCE

Table of insurance stocks, including various insurance companies.

PROPERTY

Table of property stocks, including various real estate and construction companies.

TRUSTS, FINANCE, LAND

Table of trust, finance, and land stocks, including various investment and management trusts.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks, including various investment and management trusts.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks, including various mining companies.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks, including various mining companies.

A selection of Options traded is given on the London Stock Exchange Report page.

STOCK EXCHANGE AND TAKEOVER PANEL ACT ON SECURITY

Joint effort to curb bid leaks

BY MARGARET REID

THE CITY'S top two regulatory bodies, the Stock Exchange and the Takeover Panel, yesterday took measures to curb leaks of company information and to avoid the risk of a false market in shares being created ahead of bid announcements.

The Stock Exchange, whose chairman is Mr. Nicholas Goodison, and the Takeover Panel, headed by Lord Simeon, are also concerned to improve the image of the City, which has been somewhat tarnished by repeated price rises ahead of bid statements.

The Stock Exchange and the Takeover Panel were also "extremely perturbed" by the state of affairs where announcements were delayed until so many people knew of a coming bid that security was jeopardised.

talks have reached a point where an offer is reasonably certain and (b) where negotiations were delayed until so many people knew of a coming bid that security was jeopardised.

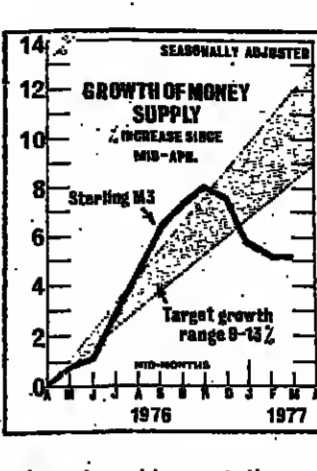
where no satisfactory statement is forthcoming. Companies are also urged, in the joint statement, made after consultation with the Confederation of British Industry and the Issuing Houses Association, to have strict regard for security on price-sensitive matters.

THE LEX COLUMN

RTZ aims for the Inchcape gap

Sterling M3 at the middle of March remained hardly more than 5 per cent above the April 1976 level after seasonal adjustment, so there is now no chance that it can reach anywhere near the bottom of the target growth range for the monetary year, which ends next Wednesday.

Index rose 3.2 to 421.0



reward loyalty should have taken this debatable course. Net borrowings at Lex Service totalled £47.1m. at the end of 1976 so in itself the £11m rights issue is no giant step towards de-gearing. At the same time capital spending is beginning to move up sharply with £12m. net of disposals, £7m. last year when depreciation and retentions totalled £13m. But the latest report and accounts confirm that profits are still moving up sharply led by an upswing in plant hire and transport activities plus the turnaround in hotels. And from this distance there is nothing very worrying about the outlook for earnings in 1978.

Heathrow men to hear new formula

By David Churchill, Labour Staff

A REVISED peace formula to end the crippling unofficial strike by 4,000 British Airways strikers is to be put to another mass meeting of the strikers this morning.

Bhutto crisis deepens as second envoy resigns

BY IQBAL MIRZA

KARACHI, April 14.

PAKISTAN'S political crisis deepened today following the resignation of a second ambassador in less than 24 hours in protest at the "dictatorial" regime of Prime Minister Zulfikar Ali Bhutto.

General Gul Hasso, who today resigned from his post in Athens, is a former acting Commander-in-Chief of the Pakistan Army.

He told members of his ruling People's Party to show patience and discipline for a few more days, apparently intending to reassure them that he still has hopes of a political solution.

Lonrho asks £12m. more from holders

By Terry Wilkinson, City Staff

LONRHO, the international trading group headed by the controversial City figure Mr. Roland "Toby" Rowland, has made its second rights issue to present shareholders in seven months this time of £12m. and Mr. Rowland is again underwriting the issue personally for no fee.

RTZ

With 90 per cent. of its assets and 80 per cent. of its earnings overseas, RTZ was the obvious candidate for dividend freedom among the major companies following the Treasury's ruling on Inchcape last month. Yet it is clearly an extremely sensitive political issue at this stage of the pay discussions. It would be wrong to read too much into the fact that a fortnight after its application it has still not received a ruling. But although RTZ is not asking for the moon with a proposed payment of 8p (which would be covered four times), compared with a current maximum of 5.96p, the decision must be very much in the balance.

Lonrho

Lonrho's £12m. rights issue follows a similar issue for £7.1m. last autumn and increases the total amount of money raised by equity issues of one kind or another over the past 2 1/2 years to over £40m. These needs have arisen as a result of cash acquisitions in the U.K. amounting to roughly £60m. over the same period. But although the two rights issues have enabled the group to increase its dividend more than twofold over two years, the shares have consistently lost status in the market since the expansion programme got under way, and the current market capitalisation is just £126m.

Shell

Two years of trying to conform with the U.S. accounting standards FAS 8 have convinced the Shell group that the standard is an impediment to the underlying business trends. The Shell report a strike gives short shrift to the request by the U.S. Securities and Exchange Commission for replacement cost data on initially North American and EROE assets. The group is committed but does not believe the market since the expansion programme got under way, and the current market capitalisation is just £126m.

To-day's travel

British Airways will today again try to perform about half of its European short-haul international flights and most of its long-haul flights. There will be no U.K. domestic flights.

Money supply certain to be below Government limit

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Feature Page 27

THE MONEY supply is now certain to be significantly below the bottom end of the Government's target range for the year to mid-April after only a fractional rise last month.

In the four weeks to March 16, the sterling component of the money stock on the broader definition (M3) rose by less than £20m.—less than 0.1 per cent.—on a seasonally adjusted basis. That this is only the first rise since mid-November reflects the impact of the Government's emergency monetary measures last autumn on bank lending and heavy sales of gilt-edged stock since then.

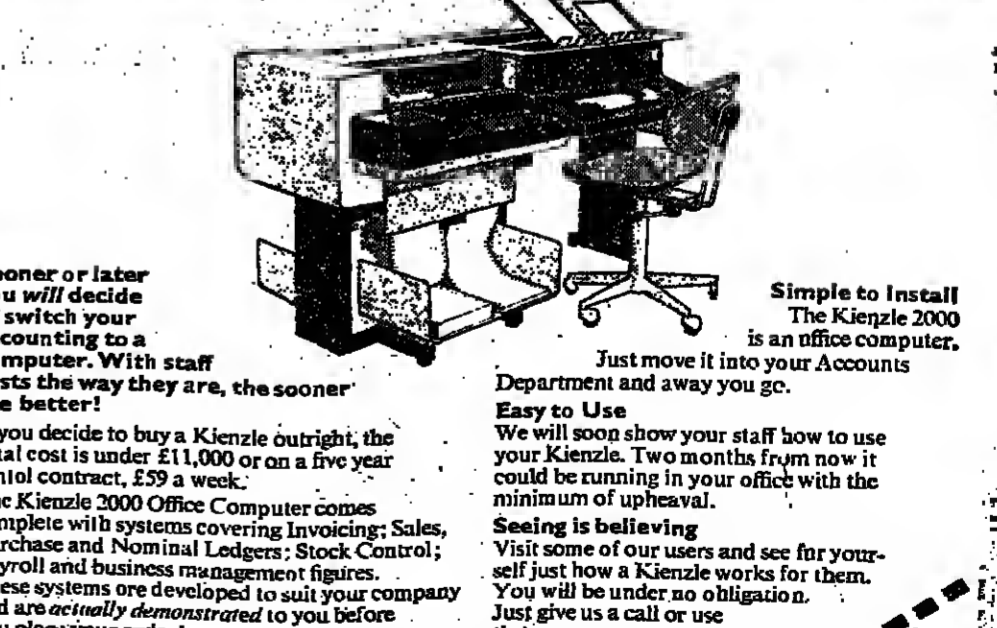
their latest monetary bulletin suggest that the Bank of England has already reduced interest rates sufficiently to meet, within a month or so, the growth of sterling M3 into its official target range of 9-13 per cent for 1977-78.

Weather

U.K. TODAY: NORTH-WESTERLY airstream over all areas will give scattered showers, wintry in the North-East although the South-West will be mainly dry. Rather cold in the North. Southern and Central North England, the Midlands.

We can't afford a computer!

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Mortgages down 1%

Continued from Page 1

Mortgages down 1%

The rate of interest paid to the movement's 13m. investors is expected to fall from its present 7.8 per cent. gross to about 7 per cent., still leaving the societies with an advantage over their competitors in the savings field.

There has been considerable annoyance in some quarters that, in putting pressure on the societies to cut rates now, the Government may have forced a premature decision.

Some building society executives believe that the rate reductions might have been larger than those now planned if the decision had been delayed a few more weeks. Others have been pressing for an immediate larger cut and it seems as though today's announcement will represent a satisfactory compromise.

Table with columns for 'MORTGAGE REPAYMENTS', 'Advance', 'Period', 'Gross Monthly Repayments at 11.25%', and 'Monthly (Gross) Decrease'. It lists various mortgage products and their corresponding repayment amounts.